

# The Commercial & Financial Chronicle

INCLUDING

Bank & Quotation Section  
Railway Earnings Section

Railway & Industrial Section  
Bankers' Convention Section

Electric Railway Section  
State and City Section

Copyrighted in 1915, by WILLIAM B. DANA COMPANY, New York. Entered at N. Y. Post Office as second class mail matter.

VOL. 101.

NEW YORK, SEPTEMBER 11 1915.

NO. 2620.

**Financial**

## THE FARMERS' LOAN & TRUST COMPANY

Foreign Exchange, Cable Transfers,  
Letters of Credit, Payable throughout the world

The Company is a legal depository for moneys paid into Court, and is authorized to act as Executor, Administrator, Trustee, Guardian, Receiver, and in all other fiduciary capacities.

Acts as Trustee under Mortgages made by Railroad and other Corporations, and as Transfer Agent and Registrar of Stocks and Bonds.

Receives deposits upon Certificates of Deposit, or subject to check, and allows interest on daily balances.

Manages Real Estate and lends money on bond and mortgage.

Will act as Agent in the transaction of any approved financial business.

Depository for Legal Reserves of State Banks and also for moneys of the City of New York.

Fiscal Agent for States, Counties and Cities.

16-22 WILLIAM STREET  
475 FIFTH AVENUE  
NEW YORK

LONDON PARIS BERLIN

Established 1874.

## John L. Williams & Sons BANKERS

Corner 8th and Main Streets  
RICHMOND, VA.

Baltimore Correspondents:  
MIDDENDORF, WILLIAMS & CO., Inc.

## GARFIELD NATIONAL BANK

Fifth Avenue Building

Corner Fifth Ave. and 23rd St., New York.

Capital, \$1,000,000 Surplus, \$1,000,000

RUEL W. POOR, President.

CHARLES J. WILLS, Vice-Pres.

WILLIAM L. DOUGLAS, 2d Vice-Pres.

ARTHUR W. SNOW, Cashier.

RALPH T. THORN, Asst. Cashier.

JOHN W. PEDDIE, Asst. Cashier.

## THE AMERICAN EXCHANGE NATIONAL BANK NEW YORK

Resources over \$100,000,000

## First National Bank

Philadelphia, Pa.

CHARTER NO. 1

ACCOUNTS INVITED

**Financial**

## HARVEY FISK & SONS

62 Cedar St.  
NEW YORK

## UNITED STATES GOVERNMENT MUNICIPAL AND RAILROAD BONDS

## The National Park Bank of New York

Organized 1856.

Capital - - - \$5,000,000 00  
Surplus and Profits - - - 15,000,000 00  
Deposits June 23, 1915 - - 122,000,000 00

President

RICHARD DELAFIELD

Vice-Presidents

GILBERT G. THORNE JOHN C. VAN CLEAF

JOHN C. McKEON WILLIAM O. JONES

Cashier

MAURICE H. EWER

Manager Foreign Department

GEORGE H. KRETZ

Assistant Cashiers

WILLIAM A. MAIN J. EDWIN PROVINCE

FRED'K O. FOXCROFT WILLIAM E. DOUGLAS

ERNEST V. CONNOLLY HENRY L. SPARKS

THE

## MECHANICS AND METALS NATIONAL BANK

20 NASSAU STREET

Capital - - - \$6,000,000  
Surplus and Profits - - \$9,000,000  
Deposits (Sept. 2, 1915) \$155,000,000

## Francis Ralston Welsh, BONDS

OF RAILROAD, GAS AND ELECTRIC  
LIGHT AND POWER COMPANIES

109-111 SOUTH FOURTH STREET  
PHILADELPHIA

**Financial**

## THE LIBERTY NATIONAL BANK OF NEW YORK

139 BROADWAY

Capital - - \$1,000,000.00  
Surplus & Profits \$2,900,000.00

## HARRIS, FORBES & CO

Successors to

N. W. Harris & Co  
NEW YORK

Pine Street, Corner William  
NEW YORK

Act as fiscal agents for municipalities and corporations and deal in Government, municipal, railroad and public utility

## BONDS FOR INVESTMENT

List on Application

Cable Address SABA, NEW YORK

## EDWARD B. SMITH & CO.

Broad and Chestnut Streets,  
PHILADELPHIA

30 Pine Street, NEW YORK

## Investment Securities

Members N. Y. and Philadelphia Stock Exchanges

## The Chase National Bank of the City of New York

United States Depository

Capital - - - \$5,000,000  
Surplus and Profits (Earned) - - 9,716,000  
Deposits - - - 179,461,000

OFFICERS

A. BARTON HEPBURN, Chairman.

ALBERT H. WIGGIN, President.

SAMUEL H. MILLER, Vice-President

EDWARD R. TINKER Jr., Vice-President

ALFRED C. ANDREWS, Cashier

CHARLES O. SLADE, Asst. Cashier

EDWIN A. LEE, Asst. Cashier

WILLIAM E. PURDY, Asst. Cashier

CHARLES D. SMITH, Asst. Cashier

WILLIAM P. HOLLY, Asst. Cashier

GEO. H. SAYLOR, Asst. Cashier

M. HADDEN HOWELL, Asst. Cashier

DIRECTORS

Henry W. Cannon

James J. Hill

A. Barton Hepburn

Albert H. Wiggin

George F. Baker Jr.

Francis L. Hine

John J. Mitchell

Guy E. Trip

Investment Houses and Drawers of Foreign Exchange

**J. P. MORGAN & CO.**  
Wall Street, Corner of Broad  
NEW YORK

**DREXEL & CO., PHILADELPHIA**  
Corner of 5th and Chestnut Streets

**MORGAN, GRENELL & CO., LONDON**  
No. 22 Old Broad Street

**MORGAN, HARJES & CO., PARIS**  
31 Boulevard Haussmann

Securities bought and sold on Commission.  
Foreign Exchange, Commercial Credits.  
Cable Transfers.  
Circular Letters for Travelers, available in all parts of the world.

**Brown Brothers & Co.,**  
PHILA. NEW YORK. BOSTON.  
59 Wall Street.

**ALEX. BROWN & SONS, BALTIMORE.**  
Connected by Private Wire.  
Mems. N. Y., Phila., Boston & Balt. Stock Exch.  
Buy and sell first-class Investment Securities on commission. Receive accounts of Banks, Bankers, Corporations, Firms and Individuals on favorable terms. Collect drafts drawn abroad on all points in the United States and Canada; and drafts drawn in the United States on foreign countries, including South Africa.  
**INTERNATIONAL CHEQUES.**  
CERTIFICATES OF DEPOSIT  
Buy and sell Bills of Exchange and make cable transfers on all points. Issue Commercial and Travelers' Credits, available in all parts of the world.

**Letters of Credit**  
**BROWN, SHIPLEY & CO., LONDON**

T. Suffern Tailor  
Grenville Kane

Charles Ames  
James G. Wallace

**TAILER & CO**

10 Pine Street, New York

**Investment Securities**

**Winslow, Lanier & Co.**

59 CEDAR STREET

NEW YORK

**BANKERS.**

Deposits Received Subject to Draft. Interest Allowed on Deposits, Securities Bought and Sold on Commission.

**Foreign Exchange, Letters of Credit**

**Kean, Taylor & Co.**

**Investment Securities**

8 Nassau Street  
NEW YORK

134 So. La Salle St.  
CHICAGO

**John Munroe & Co.**

NEW YORK

BOSTON

**Letters of Credit for Travelers**

Commercial Credits.

Foreign Exchange

Cable Transfers.

**MUNROE & CO., Paris**

**Maitland, Coppel & Co.**

52 WILLIAM STREET  
NEW YORK

Orders executed for all Investment Securities. Act as agents of Corporations and negotiate and issue Loans.

**Bills of Exchange, Telegraphic Transfers, Letters of Credit**

on  
Union of London & Smiths Bank, Limited.  
London.

Messrs. Mallet Freres & Cie, Paris.  
Banco Nacional de Mexico,  
And Its Branches.

Agents for the Bank of Australasia.

**TRAVELERS' LETTERS OF CREDIT**  
Available throughout the United States

**August Belmont & Co.**

43 EXCHANGE PLACE, NEW YORK.  
Members New York Stock Exchange.

Agents and Correspondents of the  
Messrs. ROTHSCHILD,  
London, Paris and Vienna.

**ISSUE LETTERS OF CREDIT**  
for Travelers

Available in all parts of the world.

Draw bills of Exchange and make Telegraphic Transfers to EUROPE, Cuba, and the other West Indies, Mexico and California. Execute orders for the purchase and sale of Bonds and Stocks.

**BOISSEVAIN & CO.**

24 BROAD STREET,  
NEW YORK.

Cable Transfers and Cheques on Holland

**Adolph Boissevain & Co.**  
Amsterdam, Holland.

**Lawrence Turnure & Co.**

64-66 Wall Street,  
New York

Investment securities bought and sold on commission. Travelers' credits, available throughout the United States, Cuba, Puerto Rico, Mexico, Central America and Spain. Make collections in and issue drafts and cable transfers on above countries.

London Bankers:—London Joint Stock Bank, Limited.

Paris Bankers:—Banque Francaise—Helne & Co.

NEW YORK

**Produce Exchange Bank**

BROADWAY, Corner BEAVER ST.

Capital . . . \$1,000,000  
Surplus earned . . . 500,000

Foreign Exchange bought and sold. Cable Transfers. Commercial and Travelers' Letters of Credit available in all parts of the world.

ACCOUNTS INVITED.

**HEIDELBACH, ICKELHEIMER & CO.**

37 William Street.

MEMBERS N. Y. STOCK EXCHANGE.

Execute orders for purchase and sale of Stocks and Bonds.

Foreign Exchange Bought and Sold.

Issue Commercial and Travelers' Credits available in all parts of the world.

**Schulz & Ruckgaber**

15 William Street, - - - New York

Members New York Stock Exchange.

Correspondents of Messrs.

Fruhling & Goschen, London.

John Berenberg-Gossler & Co., Hamburg.

Marcuard, Meyer-Borel & Cie., Paris.

Bremer Bank Filiale der Dresdner Bank, Bremen.

Issue Commercial and Travelers' Credits.

Buy and Sell Bills of Exchange.

Cable Transfers & Investment Securities

**J. & W. Seligman & Co.**

No 1 William Street

NEW YORK

**Redmond & Co.**

33 Pine Street, New York

**Investment Securities**

Members

New York Stock Exchange

Buy and sell Securities on Commission and act as Fiscal Agents for Corporations

Correspondents of

London & South Western Bk., Ltd.

Jordaan & Cie., Paris

Russo-Asiatic Bank, Hong Kong

**GRAHAM & Co.**

BANKERS

435 Chestnut Street  
PHILADELPHIA

**Government and Municipal Bonds, Securities of Railroads, Electric Railways, Gas and Electric Light and Power Companies of established value.**

Foreign and Domestic Letters of Credit, Travelers' Checks, Foreign Drafts.

Cable Address, "Graco," Philadelphia.

**BERTRON, GRISCOM & CO.**

**INVESTMENT SECURITIES**

Land Title Building,  
PHILADELPHIA.

40 Wall Street  
NEW YORK.

19 Boulevard des Capucines  
PARIS

**H. D. Walbridge & Co.**

14 Wall Street, New York

**Public Utility Securities**

**ALDRED & CO.**

24 Exchange Place

New York

Fiscal Agents for  
Public Utility and Hydro-Electric Companies

## Investment and Financial Houses

**Lee, Higginson & Co.****BOSTON****New York****Chicago****HIGGINSON & CO.**1 Bank Buildings, Princes Street,  
LONDON, E. C.**Hornblower & Weeks****MEMBERS****NEW YORK AND  
BOSTON STOCK EXCHANGES****42 BROADWAY, NEW YORK****Boston****Chicago**

Established 1888

**SIMON BORG & CO.,***Members of New York Stock Exchange***No. 20 Nassau Street - New York****HIGH-GRADE****INVESTMENT SECURITIES****LUDWIG & CRANE***Successors to T. W. Stephens & Co.***Investment Securities****61 Broadway****New York****H. AMY & CO.****Members N. Y. Stock Exchange**  
44 AND 46 WALL ST.,Transact a General Investment and Stock  
Exchange Business**GEO. B. EDWARDS  
BROKER**Tribune Building, NEW YORK, N. Y.  
**FOR SALE.**—Timber, Coal, Iron, Ranch and  
other properties.  
Confidential Negotiations, Investigations;  
Settlements, Purchases of Property.  
United States, West Indies, Canada, Mexico**BOND & GOODWIN****BANKERS****Corporation and Collateral Loans**  
**Commercial Paper**

also

**INVESTMENT SECURITIES****Members New York Stock Exchange**  
**and Boston Stock Exchange****30 State St.**  
**BOSTON****111 Broadway**  
**NEW YORK****230 So. La Salle St.**  
**CHICAGO****Wm. A. Read & Co.****Investment Securities****NASSAU AND CEDAR STREETS**  
**NEW YORK****CHICAGO PHILADELPHIA BOSTON**  
**LONDON****NEW YORK****CHICAGO****BOSTON****Goldman, Sachs & Co.***Members of New York & Chicago Stock Exchanges**Wm. Goadby Loew**Geo. C. Warren Jr.***LOEW & CO.****2 Wall Street**  
**New York***Members New York Stock Exchange**J. Herndon Smith**Charles W. Moore**William H. Burg.***SMITH, MOORE & CO.****Investment Bonds****509 OLIVE ST.,****ST. LOUIS, MO.****P. J. Goodhart & Co.****Bank and Trust Co. Stocks***Members of New York Stock Exchange***96 BROADWAY**  
**NEW YORK****326 WALNUT ST.**  
**CINCINNATI, OHIO**1852 *Members New York Stock Exchange* 1914**Jas. B. Colgate & Co.****INVESTMENT BONDS****36 Wall Street, - - New York**  
**729 15th Street, N. W., Washington, D. C.****HARPER & TURNER****INVESTMENT BANKERS****STOCK EXCHANGE BUILDING****WALNUT STREET ABOVE BROAD****PHILADELPHIA***Members Philadelphia Stock Exchange***MILLETT, ROE & HAGEN****INVESTMENT SECURITIES****MEMBERS****NEW YORK STOCK EXCHANGE****52 WILLIAM ST.**  
**NEW YORK****15 CONGRESS ST.**  
**BOSTON****N. W. Halsey & Co.****Government, Municipal, Railroad**  
**and Public Utility Bonds***Fiscal Agents for Cities and Corporations***49 Wall St., New York***Philadelphia**Chicago**San Francisco**Boston (Halsey & Co., Inc.)**Baltimore**London**Geneva***ROBINSON & Co.****U. S. Government Bonds**  
**Investment Securities****26 Exchange Place****New York***Members New York Stock Exchange***WILLIAM P. BONBRIGHT & COMPANY***Incorporated***14 WALL STREET, NEW YORK****PHILADELPHIA****BOSTON****DETROIT****LONDON—William P. Bonbright & Co.****PARIS—Bonbright & Co.****PUBLIC UTILITY SECURITIES****Perry, Coffin & Burr****Boston**  
**60 State St.****New York**  
**55 Wall St.****We purchase entire issues**  
**PUBLIC UTILITY BONDS****Allerton, Greene & King****Continental & Commercial Bank Bldg.**  
**CHICAGO, ILL.****RAILROAD, MUNICIPAL AND**  
**CORPORATION BONDS***List on Application.***CHARLES FEARON & CO.****BANKERS***Members New York Stock Exchange*  
*Philadelphia Stock Exchange***INVESTMENT SECURITIES****GUARANTEED STOCKS AND BONDS***Pennsylvania RR. System**Reading Railway System***333 Chestnut St., PHILADELPHIA**



## Canadian Municipal Bonds

We invite correspondence  
regarding Canadian Municipal  
Debentures to yield from  
5% to 6%

**Wood, Gandy  
& Co.**

Toronto Saskatoon,  
14 Cornhill, London, E.C.

## Canadian Municipal and Public Utility Bonds

**NESBITT, THOMSON & CO.**  
LIMITED  
INVESTMENT BANKERS  
MONTREAL, QUE. HAMILTON, ONT.

## Greenshields & Company

Members Montreal Stock Exchange

*Our Monthly Review  
of Canadian Condi-  
tions sent on request.*

16 St. Sacrament St., Montreal London, Eng.

## Foreign

## NATIONAL BANK OF CUBA

Capital, Surplus and  
Undivided Profits - \$6,860,455 43

**HEAD OFFICE—HAVANA**  
OBISPO & CUBA STREETS

### Branches

84 Gallano St., Havana  
226 Monte St. (Cuatro Caminos) Havana  
Produce Exchange, Havana  
234 Jesus del Monte St. (Esquina Toyo), Havana  
88 Muralla St., Havana

Santiago,	Holguin,
Cienfuegos,	Colon,
Matanzas,	Placetas,
Cardenas,	Trinidad,
Manzanillo,	Santo Domingo,
Sagua la Grande,	Guines,
Pinar del Rio,	Gibara,
Calbarien,	Guantanamo,
Guantanamo,	Remedios,
Santa Clara,	Jovellanos,
Camaguey,	Guantanamo,
Sancti Spiritus,	Guira de Melena,
Camajuani,	Rodas,
Cruces,	Consolacion del Sur,
Ciego de avila,	

**NEW YORK AGENCY—1 WALL ST.**

Collections a Specialty.

Sole Depositary for the Funds of the Republic of  
Cuba.

Members American Bankers' Association

Cable Address—Banconao

## Adrian H. Muller & Son

### AUCTIONEERS

Office, No. 55 WILLIAM STREET  
Corner Pine Street

**Regular Weekly Sales  
OF**

## STOCKS and BONDS

**EVERY WEDNESDAY**

At the Exchange Sales Rooms  
14-16 Vesey Street

## W. H. Goadby & Co.

Members New York Stock Exchange  
NO. 74 BROADWAY NEW YORK

## Canadian

## BANK OF MONTREAL

(Established 1817)

**CAPITAL paid up - - - \$16,000,000**  
**REST, - - - - - 16,000,000**  
**UNDIVIDED PROFITS, 1,252,864**

**Head Office—Montreal**  
H. V. MEREDITH, President  
Sir F. Williams-Taylor, LL.D., Gen. Manager

**NEW YORK AGENCY**  
64 WALL STREET

R. Y. HEBDEN,  
W. A. BOG,  
J. T. MOLINEUX, } Agents.

Buy and Sell Sterling and Continental Exchange  
and Cable Transfers; issue Commercial and Trav-  
elers' Credits, available in any part of the world;  
issue drafts on and make collections at all points in  
the Dominion of Canada and Newfoundland.

London Offices, 47 Threadneedle St., E. C.  
9 Waterloo Place, Pall Mall, S. W.  
G. C. CASSELS, Manager.

## The Bank of British North America

Established in 1834  
Incorporated by Royal Charter in 1840  
New York Agency opened 1843

**Paid-up Capital - - - - - £1,000,000 Sterling**  
**Reserve Fund - - - - - 250,000 Sterling**

### Head Office:

5 Gracechurch Street, London, E. C.

**New York Office: 52 Wall Street,**  
W. T. OLIVER } Agents  
P. C. HARRISON }

Buy and Sell Sterling and Continental Exchange  
and Cable Transfers; Grant Commercial and  
Travelers' Credits and Cheques, available in any  
part of the world. Issue Drafts on and make  
Collections in all parts of Canada.

Agents for Banco de Londres y Mexico,  
Mexico City and Branches

## C. MEREDITH & CO., LIMITED

### Bond Brokers and Financial Agents

### BOARD OF DIRECTORS.

C. Meredith, President	C. B. Gordon, Vice-Pres.
C. R. Hosmer,	Wm. McMaster,
D. C. Macarow,	Bartlett McLennan,
A. Baumgarten,	H. B. MacDougall,
J. J. Reed,	A. E. Holt,

A. P. B. Williams, Sec. J. M. Mackie, Treasurer.

112 St. James St. 46 Threadneedle St.  
**MONTREAL LONDON, E. C.**

## Canadian Securities

## W. GRAHAM BROWNE & CO.

222 St. James Street  
**MONTREAL**

Correspondence Solicited

## Canadian

## Government, Municipal and Corporation Bonds

## DOMINION SECURITIES CORPORATION—LIMITED

TORONTO, MONTREAL, LONDON, ETC.

## Financial

## F. WM. KRAFT LAWYER

Specializing in Examination of  
Municipal and Corporation Bonds

517-520 HARRIS TRUST BUILDING  
111 WEST MONROE STREET  
CHICAGO, ILL.

## THE CANADIAN BANK OF COMMERCE

HEAD OFFICE, TORONTO

**PAID-UP CAPITAL - - - - - \$15,000,000**  
**REST - - - - - \$13,500,000**

NEW YORK OFFICE:

16 EXCHANGE PLACE

Wm. Gray and H. P. Schell, Agents

Buy and Sell Sterling and Continental Exchange  
and Cable Transfers. Collections made at all  
points

Travelers' Cheques and Letters of Credit issued,  
available in all parts of the world.

Banking and Exchange business of every de-  
scription transacted with Canada.

LONDON OFFICE—2 Lombard Street, E. C.

**BANKERS IN GREAT BRITAIN.**

The Bank of England.

The Bank of Scotland.

Lloyd's Bank, Limited.

## THE BANK OF NOVA SCOTIA

(Incorporated 1832)

**PAID-UP CAPITAL - - - - - \$5,500,000**  
**RESERVE FUND - - - - - 12,000,000**  
**TOTAL ASSETS OVER - - - - - 25,000,000**

Head Office, Halifax, N. S.

General Manager's Office, Toronto, Ont.  
190 branches throughout Canada, Newfoundland,  
Cuba, Jamaica, Porto Rico, and in Boston, Chi-  
cago and New York. Commercial and Travelers'  
Credits issued, available in all parts of the world.  
Bills on Canada or West Indian points favorably  
negotiated or collected by our branches in the  
United States. Correspondence solicited.

**New York Agency, 48 Wall Street,**

H. F. Patterson, Agent.

Correspondents } London Joint Stock Bank, Ltd  
in Great Britain }

Correspondents } Royal Bank of Scotland.  
in Scotland }

## THE

## ROYAL BANK OF CANADA

Established 1869

**Capital Paid Up - - - - - \$11,560,000**  
**Reserve Funds - - - - - \$13,174,000**

Head Office - - - - - Montreal

SIR HERBERT S. HOLT, E. L. PEASE,  
President. Vice-Pres. & Gen. Manager.

Branches throughout the DOMINION OF CAN-  
ADA and NEWFOUNDLAND; in HAVANA and  
all principal points in CUBA, PORTO RICO and  
DOMINICAN REPUBLIC; in BAHAMAS, Nas-  
sau; BARBADOS, Bridgetown; JAMAICA, King-  
ston; TRINIDAD, Port of Spain and San Fernando  
BRITISH HONDURAS, Belize; BRITISH  
GUIANA, Georgetown and New Amsterdam.

LONDON OFFICE—Bank Buildings.

Princes Street, E. C.

New York Agency—Cor. William & Cedar Sts.  
S. H. VOORHEES, Agent.

## CANADIAN SECURITIES

Government and Municipal Bonds,  
Corporation Bonds and  
Preferred Stocks,  
Bought and Sold, and Offerings Made.

Correspondence Invited.

## AMERICAN OFFICES

New York  
52 Broadway

Boston  
50 Congress St.

## N. B. Stark & Company MONTREAL

## Murray, Mather & Co. TORONTO

## Canadian

## Government & Municipal Bonds

List sent on request

## A. E. AMES & CO. TORONTO, CANADA

Investment Bankers

Established 188

## Bankers &amp; Brokers outside New York

## ST. LOUIS

**A. G. EDWARDS & SONS**

38 Wall Street  
In St. Louis at 412 Olive Street

SECURITIES  
of the  
CENTRAL WEST

**William R. Compton Co.**

Merchants-Laclede Bldg., ST. LOUIS  
311 West Monroe Street, CHICAGO  
Pine St., cor. William, NEW YORK

MUNICIPAL  
and other  
HIGH-CLASS BONDS

*Circulars and List on Application*

## GRAND RAPIDS

The Preferred Stocks  
of the  
American Public Utilities Company,  
Wisconsin-Minnesota Light & Power  
Company

Utah Gas & Coke Company  
pay regular quarterly dividends.

They are safe, profitable investments.  
Managed by

**Kelsey, Brewer & Co.**

Engineers Operators  
Grand Rapids, Michigan

**Howe, Snow,  
Corrigan & Berteles**

Grand Rapids, Mich.

Public Utilities Securities

We negotiate entire issues and purchase  
Public Service properties of well-  
established earnings.

## KANSAS CITY, MO.

**PRESCOTT & SNIDER**

Investment Securities.  
Municipal and Corporation  
Bonds.

1st Nat'l Bank Bldg., KANSAS CITY

## MILWAUKEE

**EDGAR, RICKER & CO.**

INVESTMENT SECURITIES  
Wisconsin Corporation Issues  
WELLS BLDG., MILWAUKEE

## PITTSBURGH

**Donner, Childs & Woods**

Members New York Stock Exchange, Pittsburgh  
Stock Exchange, Chicago Board of Trade,  
Philadelphia Stock Exchange.

**INVESTMENT SECURITIES**

Union Bank Building,  
PITTSBURGH, PA.

Tri-City Railway & Light Co.  
First & Refundg. 5s, 1930  
Ohio Valley Water Company  
First 5s, 1954

**H. P. Taylor & Co.**

NEW YORK PITTSBURGH BUFFALO

Quotations and Information Furnished on  
PITTSBURGH SECURITIES

**BALLARD & McCONNEL**

Members Pittsburgh Stock Exchange  
Commonwealth Bldg., PITTSBURGH, PA.

## PHILADELPHIA

**Wm. G. Hopper & Co.****STOCK & BOND BROKERS**

25 SOUTH THIRD STREET

Philadelphia, Pa.

W. G. Hopper H. S. Hopper  
Member Phila. Stock Ex. Member Phila. Stock Ex.

## NORFOLK, VA.

**MOTTU & CO.**

Established 1892

NORFOLK, VA. NEW YORK  
60 Broadway

PARIS, 224 Rue de Rivoli

**INVESTMENTS**

## MONTGOMERY, ALA.

**B. W. Strassburger****SOUTHERN INVESTMENT SECURITIES**

MONTGOMERY, ALA.

## ATLANTA

**GEORGIA STATE  
Bonds****Robinson - Humphrey - Wardlaw Co.**

ATLANTA, GEORGIA

## MEMPHIS

**JNO. L. NORTON****Local Stocks and Bonds.**

86 Madison Avenue

MEMPHIS, - - - TENN.

## NASHVILLE

**HENRY S. FRAZER**

NASHVILLE

Southern Ice Securities  
Cumberland Telephone Bonds  
Nashville Railway Bonds  
City of Nashville Bonds

## BIRMINGHAM

**OTTO MARX & Co.**

BANKERS

Birmingham, Ala.

Southern Investment Securities

## PROVIDENCE

**ALBERT P. MILLER Jr.**

INDUSTRIAL TRUST CO. BUILDING  
PROVIDENCE, R. I.

Local Securities  
Gas, Elec. Lighting & Railway  
Bonds and Stocks

**BODELL & CO.**

Boston Providence Springfield

Bonds and Preferred Stocks  
of Proven Values

*Quarterly bulletin free on request*

**Richardson & Clark**

Established 1893

11 Exchange Street, Providence, R. I.

Dealers in

Bonds, Stocks and Local Securities.

## BOSTON

**PINGREE & CO.**

19 Congress St., Boston

**Public Utility Bonds**

## PORTLAND, MAINE

**WANTED**

Wichita Water Co. 5s, due 1931  
St. Joseph Wat. Co. 5s, due 1941  
Shrevep. Wat. Wks. Co. 5s, due 1939

**H. M. PAYSON & CO.**

93 EXCHANGE ST. PORTLAND, MAINE

## BUFFALO

**BONDS**

of the

International Railway System

and other

Local Securities

**TELLER & EVERS**

314 Ellicott Square

Buffalo, N. Y.

## MOBILE

**MACARTNEY & SCHLEY**

STOCKS AND BONDS

MOBILE, - - ALABAMA

## AUSTIN

**FULMORE & ARLITT**

offer direct to investors at  
attractive figures

City, County, School District  
and Road District Bonds.

BOX 981

AUSTIN, TEXAS

## AUGUSTA

\$100,000 Atlanta 4½s, due Jan. 1922  
\$100,000 Augusta 4½s, due Dec. 1922  
\$15,000 " 4s, " " 1935  
\$5,000 " 4s, " Nov. 1931

**JOHN W. DICKEY**

AUGUSTA, GA.

## LOUISVILLE

**J. J. B. HILLIARD & SON**

LOUISVILLE, KY.

BANKERS AND BROKERS

INVESTMENT BONDS

STREET RAILWAY SECURITIES

A Specialty.

Correspondents: WALKER BROS. 71 B'way N.Y.

## Bankers and Brokers outside New York

## CHICAGO

**GREENEBAUM SONS  
BANK****AND TRUST COMPANY**Southeast Corner La Salle and Madison Sts.,  
CHICAGO

Capital and Surplus, \$1,850,000

5½% CHICAGO FIRST MORTGAGES 6%

Suitable for Estates, Trustees and Individuals.

Write for Bond Circular C. 25.

Oldest Banking House in Chicago. A State Bank.

**SANFORD F. HARRIS & Co.****INVESTMENT SECURITIES**

THE ROOKERY

CHICAGO

Telephones (Automatic 580-119  
Wabash 768**John Burnham & Co.**

Chicago

New York

**A. O. Slaughter & Co.**110 WEST MONROE STREET  
CHICAGO, ILL.Members: New York Stock Exchange,  
New York Cotton Exchange,  
New York Coffee Exchange,  
New York Produce Exchange,  
Chicago Stock Exchange,  
Chicago Board of Trade,  
Minn. Chamber of Commerce  
St. Louis Merchants' Exchange.Municipal and  
Corporation**BONDS****SHAPKER, WALLER & CO.**234 SOUTH LA SALLE STREET  
CHICAGO**A. G. Becker & Co.**

(INCORPORATED)

**COMMERCIAL PAPER**

S. W. Cor. Monroe &amp; La Salle Sts., Chicago

**STONE & WEBSTER****SECURITIES OF  
PUBLIC SERVICE CORPORATIONS****STONE & WEBSTER  
ENGINEERING CORPORATION**  
CONSTRUCTING ENGINEERS**STONE & WEBSTER  
MANAGEMENT ASSOCIATION**  
GENERAL MANAGERS OF  
PUBLIC SERVICE CORPORATIONS

BOSTON

147 MILK STREET

NEW YORK

CHICAGO

5 NASSAU ST. FIRST NAT. BANK BLDG.

## PORTLAND, ORE.

**MORRIS BROTHERS**

PORTLAND

PHILADELPHIA

**Municipal and Corporation****BONDS**

PACIFIC COAST SECURITIES A SPECIALTY

Sherman R. Hall

C. Hunt Lewis

**HALL & LEWIS****Investment Bonds**

Lewis Building

PORTLAND, ORE.

## LOS ANGELES

**TORRANCE, MARSHALL & CO.****California Securities**

LOS ANGELES

SAN FRANCISCO

## SAINT PAUL

Edwin White

W. S. Grubbs

R. I. Farrington

Special Partner

**White, Grubbs & Co.****INVESTMENT BONDS**

State Savings Bank Bldg., St. Paul

**F. E. MAGRAW****MUNICIPAL AND CORPORATION  
BONDS**Commercial Paper  
Local Securities of the Twin Cities  
Globe Building, ST. PAUL, MINN.

## MINNEAPOLIS

**WELLS & DICKEY CO.**

MINNEAPOLIS, MINN.

Original Purchasers of City of Minneapolis  
and high-grade Northwest Municipal Bonds.  
Twin City Rapid Transit Co. 5% Bonds.  
Minneapolis National Bank Stocks.

## INDIANAPOLIS

**BREED, ELLIOTT & HARRISON**

CINCINNATI INDIANAPOLIS

CHICAGO

**Investment Securities****Traction, Gas and Electric  
Lighting Bonds and Stocks****OTTO F. HAUERSEN & CO.**

Established 1902

Specialists in Local Securities

412 Fletcher Trust Building, Indianapolis

**NEWTON TODD**

Local Securities and

Indiana Corporation Bonds &amp; Stocks

Fletcher Amer. Bank Bldg., INDIANAPOLIS

## CINCINNATI

**FIELD, RICHARDS & CO.**Bonds {Municipal  
Corporation

CLEVELAND · CINCINNATI

**EDGAR FRIEDLANDER**

DEALER IN

**Cincinnati Securities**

CINCINNATI

HIO

## SAN FRANCISCO

**Pacific Coast Securities  
BONDS****of MUNICIPALITIES AND  
CORPORATIONS**having substantial assets  
and earning power**WILLIAM R. STAATS CO.**

LOS ANGELES

SAN FRANCISCO

CHICAGO

PASADENA

**WE INVITE OFFERINGS OF**Sou. Pac. Branch Ry. 6s, 1937  
San Francisco & No. Pac. 5s, 1919  
San Fran. & San Joa. Val. 5s, 1940  
Southern Pacific RR. Ref. 4s, 1955  
Spring Valley Water 4s, 1923

and all

**PACIFIC COAST SECURITIES****BYRNE & McDONNELL**

Members

New York Stock Exchange

San Francisco Stock and Bond Exchange

Direct Private Wire New York to San Francisco

60 Broadway

NEW YORK

242 Montgomery St.,

SAN FRANCISCO

Cable Address: "Byrnell."

Quotations and Information Furnished on  
**Pacific Coast Securities**

Established 1858.

**SUTRO & CO.****INVESTMENT BROKERS**

San Francisco

410 Montgomery St.

Members

San Francisco Stock and  
Bond Exchange**J. BARTH & CO.****INVESTMENT SECURITIES**

Direct Wire to

Herzog &amp; Glazier

24 Broad St., New York

Members of the  
S. F. Stock & Bond Ex.482 CALIFORNIA ST.,  
SAN FRANCISCO.**MAX I. KOSHLAND****Pacific Coast Securities**

Member

San Francisco Stock and Bond Exchange

Mills Building

SAN FRANCISCO

**CARL RAISS & CO.****PACIFIC COAST SECURITIES**

Members S. F. Stock and Bond Exchange

429 California St.,

SAN FRANCISCO

**G. G. BLYMYER & CO.**

CALIFORNIA

**MUNICIPAL BONDS**

340 Sansome St.

SAN FRANCISCO

## BUFFALO

**JOHN T. STEELE**

BUFFALO, N. Y.

Government, Municipal  
and Corporation Bonds

SPECIALISTS IN

Buffalo and Western New York Securities

## Current Bond Inquiries

**F. J. LISMAN & CO.**

Members New York and Chicago Stock Exchanges

**30 BROAD STREET, NEW YORK****WE DEAL IN**

Int. & Gt. Nor. 6s & Notes  
Des M. & Ft. Dodge 4s, 1935  
Chic. T. H. & S. E. 5s & Incomes  
Cin. Ham. & D. Gen. 5s & Ref. 4s  
Consolidated Indiana Coal 5s, 1935  
Tol. St. L. & Western Coll. Tr. 4s, 1917  
Illinois Central 1st 3½s, 1951  
United States of Mexico 5s of 1909  
Southern Ry., Mobile & Ohio Coll. 4s, 1938  
N. Y. Ontario & Western Ref. 4s, 1992  
Evansville & Terre Haute 6s and 5s  
Rock Island, Choctaw Coll. 4s  
Augusta Southern 5s, 1924

**AND ALL RAILROAD SECURITIES****HARNICKELL & JOSEPH**Dealers in  
**High Grade Bonds**

5 Nassau Street, New York

'Phone 9165 Rector

New Orleans Mobile & Chic. 5s  
Tol. St. L. & West. 4s, 1917  
General Baking 6s, 1936  
Internat. Agric. 5s, 1932  
Chic. & East. Ill. 6s, 1916  
(Receiver's Certificates)

**Douglas Fenwick & Co.**

4220 John

34 WALL ST.

**\$75,000****Mesa (Maricopa County) Arizona****6% SEWER BONDS 6%**

Maturing 1955, optional 1935.  
Semi-annual interest at New York.  
Population, 2,500

Price to yield 5.30%.

**Seasongood & Mayer**Ingalls Building,  
CINCINNATI**WOOD, STRUTHERS & CO.**37 Wall Street  
**NEW YORK**

Houston & Tex. Cent. 5s, 1937  
Houston & Tex. Cent. 4s, 1921  
Chic. St. L. & N. O. 5s, 1951  
Cleve. Akron & Col. Gen. 5s, 1927  
Grand Rap. & Ind. 4½s 1941  
Yale & Towne Mfg. Co.

**INVESTMENT BONDS****JEROME J. DANZIG & CO.**Members N. Y. Stock Exchange  
100 Broadway New York

**WE WILL BUY**  
**HIGH GRADE BONDS**  
**MATURING 1915 AND 1916**

**SAMUEL K. PHILLIPS**

421 Chestnut Street. PHILADELPHIA

We desire to Buy  
**KANSAS MUNICIPAL BONDS**

**FIDELITY TRUST CO.**

Kansas City, Mo.

**GARTENLAUB & CO.**

5 NASSAU STREET

TEL. RECTOR 9440

Chicago St. Louis & New Orleans 5s.....1951  
N. Y. Penns. & Ohio 4½s.....1935  
Norfolk & Western, I. & E. 6s.....1934  
Louisville & Nashville, M. & M. 4½s.....1945  
Central Pacific 3½s.....1929  
Norfolk & Western Div. 4s.....1944  
Terminal Assn. of St. Louis 4½s.....1939  
Kansas City Terminal 4s.....1960

We offer subject to sale

**U. S. Light & Heat 1st, 6s.**  
(With Stock Bonus)

**City of Sheffield, Ala.**  
**Refunding Fours**  
To Net 6½%

**H.C. SPILLER & CO.**

INCORPORATED

Specialists in Inactive Bonds

27 State Street  
Boston63 Wall Street  
New York**Pacific Gas & Electric Co.**  
**SAN FRANCISCO, CAL.**

Common Stock  
1st Preferred Stock  
Old Preferred Stock  
Bonds

**SUTRO BROS. & CO.**44 FINE ST., NEW YORK  
Members of New York Stock Exchange

Porto Rican-Amer. Tob. Co.  
Mo. Kan. & Texas 5% Notes  
United Rys. of St. L. 4s, 1934

**NEWBORG & CO.**Members New York Stock Exchange.  
80 BROADWAY, N. Y.

Telephone 4396 Rector.

PRIVATE WIRE TO ST. LOUIS

We offer

**Railroad Equipment Bonds**

Maturing 1917-1923

To yield 4.30%—5.50%

Send for list of offerings.

**FREEMAN & COMPANY**

Car Trust Securities  
34 Pine Street,  
NEW YORK.

We Own &amp; Offer

anawha & Michigan Equip. 4½s.....1920  
New York Central Equip. 4½s.....1918-1924  
Canadian Pacific Equip. 4½s.....1927  
Louisville & Nashville Equip. 5s.....1919-1921  
Erie RR. Equip. 5s.....1922

**BULL & ELDREDGE**

SHORT TERM SECURITIES

31 Nassau Street, N. Y. Tel. Cort. 632

**HUDSON COUNTY, N. J.,**

4½% Bonds  
Prices to net 4.37½%  
Circular on Request.

**OUTWATER & WELLS**

15 Exchange Place Tel. 36 Jersey City  
Jersey City, N. J.

**Guantanamo Sugar**

Bought—Sold—Quoted

**SLATTERY & CO.**Specialists  
40 Exchange Place

## Current Bond Inquiries

Intern. Agric. Corp. Com. & Pfd.  
Connecticut Ry. & Ltg. Pfd.  
Hendee Manufacturing Co.  
U. S. Light & Heating Co.  
United Gas & Elec. Com. & Pfd.  
American Brass Co.

**HOTCHKIN & CO.**

Incorporated

55 State St., BOSTON 14 Pine St., NEW YORK  
Boston Tel. Main 460 New York Tel. John 4161  
Direct Private Telephone Between  
New York and Boston

Amer. Pub. Utilities Co. Securities  
Amer. Gas Co. Coll. Tr. 5s & 6s  
Ontario Power First 5s, due 1943  
Rome Gas, El. Lt. & Pow. 5s, 1931  
Quincy Gas & Elec. Co. 5s, due 1929

**BIOREN & CO.**

314 Chestnut Street  
PHILADELPHIA

**W. N. COLER & CO.**

43 Cedar Street  
NEW YORK CITY

**INVESTMENTS**

High Grade Municipals Legal  
for New York Savings Banks  
To Yield 4.20%

Tax Free in Mass.  
**FIRST MORTGAGE BONDS**  
To Net 5.15%

**BURGESS, LANG & CO.**  
BOSTON. INVESTMENTS NEW YORK  
60 State St. 65 Wall St.

**INVESTMENT  
SECURITIES****FRANK J. M. DILLON**

2 Wall St., N. Y. Tel. 2840 Rector

New Jersey Municipal Bonds  
**J. S. RIPPEL**

Dealer in

**INVESTMENT SECURITIES**

18 CLINTON STREET NEWARK, N. J.  
Tel. 3250-3251 Mulberry

Tax Exempt

Guaranteed Stocks

**Joseph Walker & Sons**

Members New York Stock Exchange  
61 Broadway New York  
Private Wire to Philadelphia

**Short-Time Municipal  
6s**

AT PAR

Security Unconditionally Guaranteed by  
City of St. Petersburg, Florida  
Due annually one to five years  
July list on request

**The Hanchett Bond Co.**

39 So. La Salle Street, Chicago.  
MUNICIPAL BONDS (exclusively)

**LAKE TORPEDO**

7% First Preferred

Represents actual investment value  
with unusual speculative possi-  
bilities.

Detailed Circular on Request

**GWYNNE BROTHERS**

35 Broad St., N. Y. Phone 3232 Broad.

Pacific Gas & Elec. Common  
Midwest Refining Co.  
Cities Service Common  
BOUGHT—SOLD—QUOTED.

**Williams, Dunbar & Coleman**

60 Wall St. 'Phone 5980 Hanover New York

Denver & Rio Gr. Adj. Inc. 7s, 1932  
Bklyn. Union Gas 1st Cons, 5s, 1945  
Louisiana & Ark. 1st 5s, 1927  
Nashv. Chatt. & St. L. 5s, 1928  
N. Y. & Jersey 1st 5s, 1932

**WOLFF & STANLEY**

27 William Street, New York  
Telephone 6557 Broad

**WANTED**

East Ohio Gas Co. First 5s, Due 1939  
Columbus Street Ry. 1st 5s, Due 1932  
St. Paul City Cable Cons. 5s, Due 1937

**RIGGS & McLANE**

32 South Street  
BALTIMORE MARYLAND

**STANDARD**

12th Edition of our  
Booklet on  
Standard Oil  
issues is now  
ready for  
distribution.

Mailed  
on  
request.

**CARL H. PFORZHEIMER & CO.**

Dealers in Standard Oil Securities.  
Phone 4860-1-2-3-4, Broad. 25 Broad St., N. Y.

**Great Northern 4 1/4s**

"Soo" Consol. 4s and "Atlantic" 4s

Mobile &amp; Ohio New 6s

Denver &amp; Rio Grande 4 1/2s

Des Moines &amp; Ft. Dodge 4s

Terminal Assn., St. L. 4s &amp; 4 1/2s

Central Pacific, "Thru. Short Line" 4s

N. Y. Susq. &amp; West. Refd. 5s

Int. Agricultural Corp. 5s

Illinois Central Issues

Milwaukee Gas 4s

South Porto Rico Sugar Pref.

Manitoba 4 1/2s

**SAM'L GOLDSCHMIDT**

'Phones 5380 1-2-3 Broad

25 Broad Street

**For N. Y. Savings Banks**

Canton, O., Reg. or Coup. 4 1/4s & 5 1/4s  
Youngstown, O., Reg. or Coup. 4 1/4s  
Dallas, Texas, Coupon Gold 4 1/4s

Circulars upon request.

**C. E. DENISON & CO.**

BOSTON and CLEVELAND.

**PLANT CITY, FLORIDA,**

Sewer 6s

Due May 1, 1933.

Price upon application.

**Bolger, Mosser & Willaman**

29 So. La Salle St., Chicago

Georgia & Alabama 5s, 1945  
Georgia Caro. & North. 5s, 1929  
Florida Cent. & Pen. Cons. 5s, 1943  
Petersburg RR. Class "B" 6s, 1926

**BAKER, WATTS & CO.**

Calvert and German Streets  
BALTIMORE.

Members of Baltimore Stock Exchange.

Central Coal & Coke 6s  
Norfolk & Western General 6s, 1931  
Erie RR. Equipments (wanted)  
Chesapeake & Ohio Equip. 4 1/2s

**GEO. S. FOX & SONS**

Commercial Trust Building  
PHILADELPHIA

Members N. Y. and Phila. Stock Exchanges.

Minn. Lyndale & Minnet. 5s, 1919  
Minn. General Elec. 5s & 6s  
Rochester Ry. & Light 5s, 1954  
Texas Power & Light 5s, 1937  
Cuban Govt. Internal 5s of 1905  
New Orleans Texas & Mexico 5s

**MILLER & COMPANY**

Members New York and Chicago Stock Exchanges  
29 B'way Phone 3020 Rector New York

Galvest. Harrisb. & San A.  
Mo. Pac. 1st 5s, 1931  
Lacombe Elec. 1st 5s, 1921  
Pug. Sd. & Will. Harb. 5s, 1918  
Calif. & Oregon 5s, 1918  
Republic Iron & Steel 5s, 1940

**Knauth-Nachod & Kuhne**

15 William St., New York

Financial

# ATLANTIC MUTUAL INSURANCE COMPANY

The Trustees, in conformity with the Charter of the Company, submit the following statement of its affairs on the 31st of December, 1914.

The Company's business has been confined to marine and inland transportation insurance. Premiums on such risks from the 1st January, 1914, to the 31st December, 1914. 5,026,461 19 Premiums on Policies not marked off 1st January, 1914. 654,783 26

Total Premiums. 5,681,244 45

Premiums marked off from January 1st, 1914, to December 31st, 1914. 4,687,279 32

Interest on the investments of the Company received during the year 330,262 43

Interest on Deposits in Banks and Trust Companies, etc. 42,065 85

Rent received less Taxes and Expenses. 141,088 74 513,417 02

Losses paid during the year. 2,253,324 69

Less: Salvages. 242,315 69

Re-insurances. 372,200 31 614,516 00

1,638,808 69

Returns of Premiums. 138,873 43

Expenses, including officers' salaries and clerks' compensation, stationery, advertisements, etc. 562,724 57

A dividend of interest of Six per cent on the outstanding certificates of profits will be paid to the holders thereof, or their legal representatives, on and after Tuesday the second of February next.

The outstanding certificates of the issue of 1909 will be redeemed and paid to the holders thereof, or their legal representatives, on and after Tuesday the second of February next, from which date all interest thereon will cease. The certificates to be produced at the time of payment, and canceled.

A dividend of Forty per cent is declared on the earned premiums of the Company for the year ending 31st December, 1914, which are entitled to participate in dividend, for which, upon application, certificates will be issued on and after Tuesday the fourth of May next.

By order of the Board, G. STANTON FLOYD-JONES, Secretary.

EDMUND L. BAYLIES, JOHN N. BEACH, NICHOLAS BIDDLE, ERNEST C. BLISS, JAMES BROWN, JOHN CLAFLIN, GEORGE C. CLARK, CLEVELAND H. DODGE, CORNELIUS ELBERT, RICHARD H. EWART, PHILIP A. S. FRANKLIN, HERBERT L. GRIGGS, ANSON W. HARD, SAMUEL T. HUBBARD, THOMAS H. HUBBARD, LEWIS CASS LEDYARD, WILLIAM H. LEFFERTS, CHARLES D. LEVERICH, GEORGE W. MACY, NICHOLAS F. PALMER, HENRY PARISH, ADOLF PAVENSTEDT, CHARLES A. PEABODY, JAMES H. POST, CHARLES M. PRATT, DALLAS B. PRATT, ANTON A. RAVEN, JOHN J. RIKER, DOUGLAS ROBINSON, WILLIAM JAY SCHIEFFELIN, SAMUEL SLOAN, WILLIAM SLOANE, LOUIS STERN, WILLIAM A. STREET, GEORGE E. TURNURE, RICHARD H. WILLIAMS, A. A. RAVEN, President, CORNELIUS ELBERT, Vice-President, WALTER WOOD PARSONS, 2d Vice-President, CHARLES E. FAX, 3d Vice-President.

ASSETS.		LIABILITIES.	
United States and State of New York Bonds	670,000 00	Estimated Losses, and Losses Unsettled in process of Adjustment	2,162,711 00
New York City, New York Trust Companies and Bank Stocks	1,783,700 00	Premiums on Unterminated Risks	993,965 13
Stocks and Bonds of Railroads	2,723,912 00	Certificates of Profits and Interest Unpaid	277,510 45
Other Securities	357,095 00	Return Premiums Unpaid	104,976 64
Special Deposits in Banks and Trust Companies	500,000 00	Reserve for Taxes	47,993 70
Real Estate cor. Wall and William Streets and Exchange Place, containing offices	4,299,426 04	Re-insurance Premiums	209,323 59
Real Estate on Staten Island (held under provisions of Chapter 481, Laws of 1887)	75,000 00	Claims not Settled, including Compensation, etc.	122,813 07
Premium Notes	941,068 28	Certificates of Profits Ordered Redeemed, Withheld for Unpaid Premiums	22,556 64
Bills Receivable	775,688 06	Income Tax Withheld at the Source	1,264 40
Cash in hands of European Bankers to pay losses under policies payable in foreign countries	149,249 82	Certificates of Profits Outstanding	6,986,620 90
Cash in Bank	1,756,535 26		
Loans	70,000 00		
	14,101,674 46		10,929,734 62

Thus leaving a balance of. 3,171,939 84  
Accrued Interest on the 31st day of December, 1914, amounted to. 36,725 45  
Rents due and accrued on the 31st day of December, 1914, amounted to. 28,122 35  
Re-insurance due or accrued, in companies authorized in New York, on the 31st day of December, 1914, amounted to. 158,649 70  
Unexpired re-insurance on the 31st day of December, 1914, amounted to. 33,421 71  
Note: The Insurance Department has estimated the value of the Real Estate corner Wall and William Streets and Exchange Place in excess of the Book Value given above at. 450,573 06  
And the property at Staten Island in excess of the Book Value, at. 63,700 00  
The Insurance Department's valuation of Stocks, Bonds and other Securities exceeds the Company's valuation by. 1,439,952 10  
On the basis of these increased valuations the balance would be. 5,393,085 11

The Union Trust Company of New York (established in 1864) has for many years made a specialty of Personal Trusts—under Will or under Agreement—and maintains a carefully organized department for handling them.

Many millions of dollars worth of property—real and personal—have been intrusted to the company by conservative people, residents not only of New York State but of other States in which the Union Trust Company is authorized to transact business.

Correspondence or interviews with persons considering the formation of trusts of any kind—for themselves or for others—are solicited. UNION TRUST COMPANY, 80 Broadway

## Illinois Trust & Savings Bank

CHICAGO

Capital, Surplus and Undivided Profits \$15,700,000

Pays interest on Time Deposits, Current and Reserve Accounts. Deals in Foreign Exchange. Transacts a General Trust Business. Has on hand at all times a variety of excellent Securities. Buys and sells Government, Municipal and Corporation Bonds.

Financial

# ESTABROOK & CO.

Members New York and Boston Stock Exchanges

## INVESTMENT SECURITIES

15 State Street, - BOSTON  
24 Broad Street. NEW YORK

HARTFORD BALTIMORE CHICAGO

# R. L. DAY & CO.

35 Congress Street  
BOSTON

## HIGH-GRADE INVESTMENT BONDS

Municipal and Railroad

Members New York and Boston Stock Exchanges

Correspondence:

Remick, Hodges & Co., N. Y.

# C. E. MITCHELL & CO.

## INVESTMENT SECURITIES

37 Wall Street New York

# PARKINSON & BURR

Members of the New York and Boston Stock Exchanges

7 Wall Street NEW YORK 53 State Street BOSTON

73 Pearl Street  
HARTFORD

## BONDS

# BAKER, AYLING & CO

BOSTON

PHILADELPHIA SPRINGFIELD, MASS.  
CHICAGO

# Curtis & Sanger

MEMBERS  
NEW YORK, BOSTON AND CHICAGO  
STOCK EXCHANGES.

Bank Acceptances  
Commercial Paper  
Investment Securities

Boston 49 Wall Street NEW YORK Chicago

Financial

INTERNATIONAL  
STEAM PUMP CO.

Preferred Stockholders PROTECTIVE  
Committee

McDougall Hawkes, 32 Nassau Street, New  
York City.  
Roger F. Sturgis, Ames Building, Boston,  
Mass.  
Charles K. Beckman, 52 William Street,  
New York City.  
Charles H. Wiltsie, 820 Powers Building,  
Rochester, N. Y.  
Thomas J. Carmody, Holyoke, Mass.

To protect their interests it is necessary that  
preferred stockholders should give notice to  
Columbia Trust Company, 60 Broadway, New  
York City, of dissent to announced plan, on or  
before Monday, September 13th, 1915. Cir-  
culars of full information may be had at office  
of Protective Committee, 32 Nassau Street,  
New York City, telephone 5567 John, and have  
been mailed to all stockholders whose addresses  
the Committee have been able to obtain.

Protective Committee will give notice of dis-  
sent for such preferred stockholders as request  
them so to do.

WE FINANCE

Electric Light, Power and Street  
Railway Enterprises with records  
of established earnings

WE OFFER

Bankers and Investment Dealers  
Proven Public Utility Securities

Correspondence Solicited

ELECTRIC BOND & SHARE CO.

(Paid-Up Capital and Surplus, \$14,500,000  
71 BROADWAY, NEW YORK

SOUTHWESTERN COAL & IMPROVEMENT  
COMPANY.

First Mortgage Bonds.  
Sealed proposals will be received at the office  
of the Farmers' Loan & Trust Company, Nos.  
16-22 William Street, New York City, for the  
sale to the Trustee in accordance with the pro-  
visions of the Mortgage of the 1st of July, 1889,  
of a sufficient amount of bonds to consume One  
Hundred Thirty-One Thousand Five Hundred  
Thirty-Eight Dollars and Twenty-One Cents  
(\$131,538 21) in the Sinking Fund.

The right is reserved, however, to reject any  
or all bids.

Proposals must be presented before 12 o'clock  
M. on the 28th day of September, 1915, and  
should be directed as follows:

"Proposals to Sinking Fund of the South-  
western Coal & Improvement Company, The  
Farmers' Loan & Trust Company, 16-22 William  
Street, New York City."

THE FARMERS' LOAN & TRUST CO.

Trustee.

By EDWIN S. MARSTON, President.  
New York, September 8, 1915.

THE

J-G-WHITE COMPANIES

Financiers Purchasers  
Engineers Contractors  
Operators Managers



of Public Utility and Industrial  
Properties

REPORTS-VALUATIONS-ESTIMATES

43 EXCHANGE PLACE, NEW YORK  
LONDON SAN FRANCISCO CHICAGO

Wash. Balt. & Annapolis 5s, 1941  
Nashville St. Ry. 5s, 1925  
St. Jos. Ry. Lt. Ht. & P.Co. 5s, 1937  
Va. Mid., 5th Ser. 5s, 1926

Strother, Brogden & Co.

Members of Baltimore Stock Exchange  
Calvert & German Sts., BALTIMORE

J. S. Farlee H. L. Finch W. S. Tarbell

J. S. FARLEE & CO.

MEMBERS NEW YORK STOCK EXCHANGE  
Brokers and Dealers in  
INVESTMENT SECURITIES  
66 BROADWAY, NEW YORK

Financial

Weekly List  
of  
Current Bond Offerings

will be mailed upon request.

A. B. Leach & Co

Investment Securities

149 Broadway, New York 105 So. La Salle St., Chicago  
PHILADELPHIA BUFFALO BOSTON BALTIMORE LONDON

WE OWN AND OFFER SUBJECT TO PRIOR SALE

\$25,000 OKTIBBEHA COUNTY, MISS., Supervisors District No. 1,  
5½% ROAD BONDS

Dated Feb. 1, 1915. Due Serially 1925 to 1934 inclusive.  
Semi-annual interest payable February 1st & August 1st.  
Principal and Interest payable at the Chase National Bank, New York.  
Denominations \$500.

FINANCIAL STATEMENT.

Estimated True Value.....	\$4,000,000 00
Assessed Value Taxable Property, 1914.....	1,602,840 00
Total Debt (including this issue).....	150,000 00

Population (about) 5,000.  
Legality Approved by Dillon, Thomson & Clay, New York City.

Exempt from Federal Income Tax.

PRICE 101 AND INTEREST.

BOND DEPARTMENT

HIBERNIA BANK & TRUST CO.  
NEW ORLEANS

Brandell Kenmore & Co.

ACCOUNTANTS  
AUDITORS  
ANALYSTS

We especially invite corres-  
pondence from private or  
corporate financial interests  
contemplating the under-  
writing or financing of com-  
mercial enterprises in the  
Latin-American countries.

Turks Head Bldg., Providence, R. I.

MEGARGEL & CO.

Members New York Stock Exchange.

35 Pine Street

New York

SCHMIDT & GALLATIN

Members of the  
New York Stock Exchange

111 Broadway  
New York

IMPORTANT EVENTS

Every Saturday we publish a  
letter reviewing events of the week  
and their bearing on the market.

Sent on request

We Buy and Sell

HIGH GRADE MUNICIPAL  
and  
CORPORATION ISSUES  
of the  
South and Middle West

BOND DEPARTMENT

Mississippi Valley Trust Co.

Capital, Surplus and Profits over  
\$8,000,000

ST. LOUIS

ESTABLISHED 1865.

A. M. Kidd & Co

5 Nassau St., N. Y.

MEMBERS NEW YORK STOCK EXCHANGE;

Deal in  
Underlying Railroad Bonds  
and

Tax-exempt Guaranteed & Preferred  
Railroad & Telegraph Co. Stocks.

Alfred E. Forstall

Charles D. Robison

FORSTALL AND ROBISON  
ENGINEERS

Investigations and Appraisals of Gas and  
Electric Properties for Owners or Financial  
Institutions.

84 William St.,

NEW YORK CITY

Alex. C. Humphreys

Alten S. Miller

HUMPHREYS & MILLER, Inc.  
ENGINEERS

Power—Light—Gas

165 BROADWAY

NEW YORK



Bank Statements

[No. 964.]

REPORT OF THE CONDITION OF THE  
Market & Fulton National Bank

at New York, in the State of New York, at the close  
of business September 2, 1915:

RESOURCES.	
Loans and discounts	\$6,914,637 20
Overdrafts	109 99
U. S. bonds deposited to secure circulation (par value)	\$240,000 00
U. S. bonds pledged to secure U. S. deposits (par value)	10,000 00
Total U. S. bonds	250,000 00
Securities other than U. S. bonds (not including stocks) owned unpledged	1,338,451 44
Subscription to stock of Federal Reserve Bank	\$150,000
Less amount unpaid	75,000
All other stocks, including premium on same	\$75,000 00
Value of banking house (if unencumbered)	93,900 00
Real estate owned other than banking house	550,000 00
Net amount due from Federal Reserve Bank	15,000 00
Net amount due from banks and bankers (other than above)	929,425 52
Exchanges for Clearing House	1,207,970 23
Other checks on banks in the same city or town as reporting bank	472,221 62
Fractional currency, nickels and cents	36,886 93
Notes of other national banks	38,545 88
Lawful money reserve in bank:	133,331 00
Total coin and certificates	1,808,796 50
Legal-tender notes	423,000 00
Redemption fund with U. S. Treasurer (not more than 5 per cent on circulation)	\$12,000 00
Due from U. S. Treasurer	30,000 00
Customers' liability account of "Acceptances"	42,000 00
Other assets	1,800 00
Total	\$14,356,275 31
LIABILITIES.	
Capital stock paid in	\$1,000,000 00
Surplus fund	1,500,000 00
Undivided profits	\$499,135 99
Reserved for taxes	16,000 00
Less current expenses, interest and taxes paid	\$515,135 99
Circulating notes	34,280 40
Less amount on hand and in Treasury for redemption or in transit	480,855 59
Due to banks and bankers	\$240,000 00
Dividends unpaid	154,490 00
Demand deposits:	85,510 00
Individual deposits subject to check	\$2,250,975 41
Certificates of deposit due in less than 30 days	180 00
Certified checks	8,746,494 90
Cashier's checks outstanding	56,317 55
United States deposits	123,618 92
Letters of credit	109,522 94
Total	1,000 00
Total	\$14,356,275 31

State of New York, County of New York, ss.: I, JNO. H. CARR, Cashier of the above-named bank, do solemnly swear that the above statement is true to the best of my knowledge and belief. JNO. H. CARR, Cashier. Subscribed and sworn to before me this 7th day of September, 1915.	
JOHN BOWEN, Notary Public. Kings Co. Ctr. filed in N. Y. Co.	
Correct—Attest: A. GILBERT, ALDEN S. SWAN, LEOPOLD STERN. } Directors.	

Condensed Report of the Condition of  
The Merchants National Bank  
of the City of New York

FOUNDED  
1803

At the Close of Business Sept. 2, 1915

RESOURCES	
Loans and Discounts	\$23,027,736 48
U. S. Bonds and Other Securities	4,403,648 34
Banking House	995,257 34
Cash and Due from Banks	8,407,289 97
Total	\$36,833,932 13
LIABILITIES	
Capital Stock	\$2,000,000 00
Surplus and Undivided Profits	2,180,889 85
Circulation	1,956,100 00
Deposits	30,696,942 28
Total	\$36,833,932 13

JOSEPH BYRNE, Cashier.

Utah Light & Power 4s, 1930  
Carolina Power & Light Common  
Dayton Power & Light 5s, 1941  
American Gas & Electric 6s

H. L. NASON & CO.,  
55 Congress St., BOSTON, MASS.

Bank Statements

Established 1857

Oldest Bank in Chicago

THE MERCHANTS LOAN & TRUST COMPANY  
OF CHICAGO

Statement of Condition at Commencement of Business  
September 3, 1915

RESOURCES		LIABILITIES	
Loans and Discounts	\$38,492,380 47	Capital Stock	\$3,000,000 00
Customers' Liability under Letters of Credit	1,856,847 90	Surplus Fund	7,000,000 00
Bonds and Mortgages	9,663,524 07	Undivided Profits	803,242 07
Due from Banks and Bankers	\$20,073,903 96	Reserved for Accrued Interest and Taxes	109,276 32
Cash and Checks for Clearing House	10,000,593 67	Liability under Letters of Credit	1,856,847 90
	30,074,497 63	Deposits	67,317,883 78
Total	\$80,087,250 07	Total	\$80,087,250 07

DEPARTMENTS

COMMERCIAL, SAVINGS, TRUST, BOND, FARM LOAN, FOREIGN EXCHANGE

ORSON SMITH, President EDMUND D. HULBERT, Vice-President FRANK G. NELSON, Vice-President JOHN E. BLUNT JR., Vice-President P. C. PETERSON, Cashier. C. E. ESTES, Assistant Cashier.	JOHN J. GEDDES, Assistant Cashier. LEON L. LOEHR, Sec. & Trust Officer. A. LEONARD JOHNSON, Asst. Sec'y. F. W. THOMPSON, Mgr. Farm Loan Dept. H. G. P. DEANS, Mgr. Foreign Dept. G. F. HARDIE, Mgr. Bond Dept.
--	---

DIRECTORS.

FRANK H. ARMSTRONG, President Reid, Murdoch & Company. ENOS M. BARTON, Chairman Board of Directors Western Electric Company. CLARENCE A. BURLEY, Attorney and Capitalist. HENRY P. CROWELL, President Quaker Oats Company. WILLIAM A. GARDNER, President Chicago & North Western Railway Co. EDMUND D. HULBERT, Vice-President. CHAUNCEY KEEP, Trustee Marshall Field Estate.	CYRUS H. McCORMICK, President International Harvester Company. SEYMOUR MORRIS, Trustee, L. Z. Letter Estate. JOHN S. RUNNELLS, President Pullman Company. EDWARD L. RYERSON, Chairman Board of Directors Joseph T. Ryerson & Son. JOHN G. SHEDD, President Marshall Field & Company. ORSON SMITH, President. ALBERT A. SPRAGUE II., Vice-President Sprague, Warner & Company. MOSES J. WENTWORTH, Capitalist.
---	--

[No. 1290.]

REPORT OF THE CONDITION OF

The Citizens Central National Bank  
of New York

at New York City, in the State of New York, at the close of business September 2, 1915:

RESOURCES.		LIABILITIES	
Loans and discounts	\$24,631,886 00	Capital stock paid in	\$2,550,000 00
Overdrafts, unsecured	171 90	Surplus fund	1,500,000 00
U. S. bonds deposited to secure circulation (par value)	\$1,655,100 00	Total capital and surplus	\$4,050,000 00
Securities other than U. S. bonds (not including stocks) owned unpledged	297,830 19	Undivided profits	\$900,319 79
Subscription to stock of Federal Reserve Bank	\$243,000	Reserved for taxes	32,421 91
Less amount unpaid	121,500 00	Reserved for interest unearned on bills discounted	200,000 00
All other stocks, including premium on same	23,500 00	Reserved for depreciation in securities	100,000 00
Net amount due from Federal Reserve Bank	2,097,930 19	Less current expenses, interest and taxes paid	\$1,232,741 70
Net amount due from banks and bankers	1,979,084 12	Circulating notes	128,165 57—1,104,576 13
Exchanges for Clearing House	1,391,531 14	Less amount on hand and in Treasury for redemption or in transit	\$1,655,100 00
Other checks on banks in the same city or town as reporting bank	1,103,746 80	Due to banks and bankers	11,402 50—1,643,697 50
Outside checks and other cash items	200,887 60	Dividends unpaid	\$7,175,889 29
Fractional currency, nickels and cents	\$102,616 31	Demand deposits:	208 00
Notes of other national banks	109,528 61	Individual deposits subject to check	18,323,238 07
Federal Reserve notes	42,000 00	Certificates of deposit due in less than 30 days	175,571 27
Lawful money reserve in bank:	70,000 00	Certified checks	174,954 36
Total coin and certificates	2,631,473 00	Cashier's checks outstanding	429,639 64
Legal-tender notes	105,571 00	Time deposits (payable after 30 days, or subject to 30 days' or more notice):	
Redemption fund with U. S. Treasurer	\$82,755 00	Certificates of deposit	44,000 00
Due from U. S. Treasurer	86,000 00	Other time deposits	1,410,041 10
Customers' liability under letters of credit	168,755 00	Letters of credit	27,733,541 73
Customers' liability account of "acceptances"	327,130 00	Acceptances based on imports and exports	327,880 00
Total	\$34,935,723 89	Total	\$34,935,723 89

State of New York, County of New York, ss.:  
I, EDWIN S. SCHENCK, President of the above-named bank, do solemnly swear that the above statement is true to the best of my knowledge and belief.  
EDWIN S. SCHENCK, President.

Subscribed and sworn to before me this 8th day of September, 1915.  
[Seal]  
C. MORRISON,  
Notary Public, Queens County, No. 1219.  
Certificate Filed in New York County, No. 120.  
Register's Office No. 6238.

Correct—Attest:  
CHARLES A. MUNN,  
WILLIAM S. GRAY,  
GARRARD COMLY, } Directors.



## Bank Statements

## The Mechanics and Metals National Bank

OF THE CITY OF NEW YORK  
20 NASSAU STREET

Condensed report of condition at the close of business September 2, 1915.

RESOURCES		LIABILITIES	
Loans and discounts.....	\$86,589,753 48	Capital stock, paid in.....	\$6,000,000 00
Customers' liability under Letters of Credit and acceptances.....	4,380,087 62	Surplus and undivided profits.....	9,155,843 93
Overdrafts—Secured and unsecured.....	4,135 10	National bank notes outstanding.....	4,934,200 00
U. S. Bonds to secure circulation.....	5,000,000 00	Bonds borrowed.....	190,000 00
U. S. and other bonds to secure Postal Savings Deposits.....	1,445,714 85	Letters of credit and time acceptances (Foreign Department).....	4,413,377 95
Bonds, securities, etc.....	11,428,147 56	Deposits:	
Banking House and other real estate.....	4,470,099 60	Individual.....	\$89,638,053 87
Cash and due from banks.....	66,979,098 90	Banks.....	65,965,561 36
	\$180,297,037 11		155,603,615 23
			\$180,297,037 11

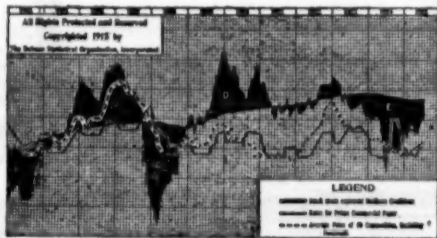
## OFFICERS

GATES W. McGARRAH, President.	
NICHOLAS F. PALMER, Vice-President.	JOSEPH S. HOUSE, Cashier.
JOHN McHUGH, Vice-President.	JOHN ROBINSON, Asst. Cashier.
FRANK O. ROE, Vice-President.	ERNEST W. DAVENPORT, Asst. Cashier.
WALTER F. ALBERTSEN, Vice-President.	ARTHUR M. AIKEN, Asst. Cashier.
HARRY H. POND, Vice-President.	ALEXANDER F. BRYAN, Auditor.
SAMUEL S. CAMPBELL, Vice-President.	NORTH McLEAN, Mgr. Foreign Dept.

## DIRECTORS

FREDERIC W. ALLEN, Lee, Higginson & Co.	WILLIAM A. JAMISON, Arbuckle Bros.	NICHOLAS F. PALMER, President Quintard Iron Works.
JAMES M. BECK, Former Assistant U. S. Attorney General.	CLARENCE H. KELSEY, Pres. Title Guarantee & Trust Co.	CHARLES M. PRATT, 26 Broadway.
DANIEL BARNES, President Seamen's Bank for Savings.	LOWELL LINCOLN, Catlin & Co.	SAMUEL F. PRYOR, Vice-President Remington Arms-Union Metallic Cartridge Co.
CORNELIUS N. BLISS, JR., Bliss Fabyan & Co.	L. F. LOREE, Pres. The Delaware & Hudson Co.	HENRY H. ROGERS, Director Anaconda Copper Mining Co.
JAMES G. CANNON, New York.	GATES W. McGARRAH, President.	F. W. ROEBLING, Treasurer J. A. Roebling Sons Co.
WILLIAM E. COREY, New York.	JOHN McHUGH, Vice-President.	P. A. ROCKEFELLER, 26 Broadway.
W. R. CRAIG, W. R. Craig & Co.	V. EVERIT MACY, New York.	JOHN D. RYAN, President Anaconda Copper Mining Co.
OTIS H. CUTLER, President American Brake Shoe & Foundry Co.	HENRY R. MALLORY, President Mallory Steamship Co.	CHARLES H. SABIN, President Guaranty Trust Co.
EUGENE DELANO, Brown Bros. & Co.	T. FRANK MANVILLE, Pres. H. W. Johns-Manville Co.	GEORGE R. SHELDON, W. C. Sheldon & Co.
H. O. HAVEMEYER, President Brooklyn Eastern District Terminal.	S. T. MORGAN, President Virginia-Carolina Chemical Co.	ELBRIDGE G. SNOW, President The Home Insurance Co.
H. H. HEWITT, President Magnus Metal Co.	WILLIAM A. PAINE, President Copper Range Co.	F. de C. SULLIVAN, Director Southern Express Co.
HENRY HENTZ, Henry Hentz & Co.	ROBERT C. PRUYN, Chairman of the Board of Directors National Commercial Bank, Albany, N. Y.	M. ORME WILSON, R. T. Wilson & Co.

## Financial



## MARKET STILL RISING?

Babson clients have taken good profits on investments since January 1. Babson Service will keep you informed as to which securities are still a "good buy" and which are not. Avoid worry. Cease depending on rumors or luck. Recognize that all action is followed by equal reaction. Work with a definite policy based on Fundamental Statistics.

Particulars sent free. Write Department F. C.-3 of the

**Babson Statistical Organization**  
Wellesley Hills Mass.

## THE FIRST NATIONAL BANK OF BROOKLYN, N. Y.

September 2, 1915.

RESOURCES.	
Loans and discounts.....	\$3,180,103 05
Securities.....	1,593,338 15
Banking house and safe deposit vaults.....	157,500 00
Cash and due from banks.....	1,309,136 03
	\$6,240,077 23
LIABILITIES.	
Capital.....	\$300,000 00
Surplus.....	500,000 00
Undivided profits.....	179,358 67
Circulation.....	299,997 50
Deposits.....	4,960,721 06
	\$6,240,077 23
Joseph Huber, President; John W. Weber, Vice-Prest.; William S. Irish, Vice-Prest. & Cashier; Ansel P. Verity, Asst. Cashier.	

Established 1866

## H. F. BACHMAN &amp; CO.

## BONDS FOR INVESTMENT

1512 CHESTNUT ST., PHILADELPHIA  
14 WALL ST. NEW YORK  
Members N. Y. and Philadelphia Stock Exchanges

Organized 1852

## LINCOLN NATIONAL BANK

OF THE CITY OF NEW YORK.

42d St. opposite Grand Central Terminal

Sept. 2, 1915

Capital.....	\$1,000,000 00
Surplus.....	1,000,000 00
Undivided Profits.....	905,401 00
Deposits.....	19,463,332 00
Total Resources.....	23,986,134 00

CHAS. ELLIOT WARREN,	President
WM. A. SIMONSON,	Vice-President
DAVID O. GRANT,	Cashier
JOHN S. SAMMIS Jr.,	Asst. Cashier
HENRY E. STUBING,	Asst. Cashier

## DIRECTORS

Thomas L. James, Chairman of the Board	Henry O. Phipps
Eben E. Olcott	William A. Simonson
Joseph P. Grace	Edward L. Rossiter
William G. Rockefeller	Howard S. Borden
M. Hartley Dodge	Howard C. Brokaw
William Brewster	
Harry J. Luce	Chas. Elliot Warren

Bank Statements



# The American Exchange National Bank New York

A Commercial Bank With Every Facility for the Care of Its Customers

Statement

(Comptroller's Call, September 2nd, 1915).

RESOURCES		LIABILITIES	
Loans, Discounts and Investments .....	\$73,660,066.44	Capital Stock .....	\$ 5,000,000.00
U. S. Bonds and Other Securities to Secure Circulation and Postal Savings Deposits .....	7,570,105.94	Surplus Fund and Undivided Profits .....	5,089,869.90
Due from Banks, Bankers and Trust Companies..	1,471,598.90	Circulation .....	4,725,000.00
5 % Redemption Fund ..	240,000.00	Time Acceptances .....	827,379.38
Reserve in Federal Reserve Bank .....	6,616,322.76	Letters of Credit .....	306,890.96
Cash and Exchanges for Clearing House .....	22,660,726.46	Deposits .....	96,269,680.26
Other Assets .....	1,610,433.13	Liabilities other than those above stated .....	1,610,433.13
	<b>\$113,829,253.63</b>		<b>\$113,829,253.63</b>

LEWIS L. CLARKE, President.

WALTER H. BENNETT,  
Vice-President  
A. K. DeGUMSCARD,  
Asst. Cashier  
HUGH S. McCLURE,  
Asst. Cashier

ARTHUR P. LEE,  
Cashier

GEORGE C. HAIGH,  
Vice-President  
ELBERT A. BENNETT,  
Asst. Cashier  
WALTER B. TALLMAN,  
Asst. Cashier

DIRECTORS

WILLIAM M. BARRETT,  
President, Adams Express Co.  
WALTER H. BENNETT,  
Vice-President  
LEWIS L. CLARKE,  
President  
R. FULTON CUTTING,  
New York

WILLIAM P. DIXON,  
Dixon & Holmes  
PHILIP A. S. FRANKLIN,  
New York  
ROWLAND G. HAZARD,  
President, Peacedale Mfg. Co.

EDWARD C. PLATT,  
Vice-President, Mackay Companies  
ELBRIDGE GERRY SNOW,  
President, Home Insurance Co.  
CLAUS. A. SPRECKELS,  
Pres., Federal Sugar Refining Co.  
JOHN T. TERRY,  
New York

Accounts of Individuals, Firms, Corporations, Banks and Bankers Invited

Foreign Exchange

Commercial Letters of Credit



## THE COAL & IRON NATIONAL BANK OF THE CITY OF NEW YORK.

STATEMENT AT THE CLOSE OF BUSINESS SEPTEMBER 2, 1915

RESOURCES		LIABILITIES	
Loans and Discounts .....	\$5,256,849 62	Capital Stock .....	\$1,000,000 00
U. S. Bonds at Par .....	414,500 00	Surplus and Profits (Earned) ..	676,163 55
Other Bonds .....	2,539,055 65	Circulation .....	400,000 00
Due from Banks .....	541,706 80	Deposits .....	8,622,762 78
Cash and Exchanges .....	1,967,470 53	Reserve for Taxes .....	10,656 27
	<b>\$10,709,582 60</b>		<b>\$10,709,582 60</b>

MEMBER NEW YORK CLEARING-HOUSE ASSOCIATION  
DEPOSITORY OF THE UNITED STATES, CITY OF NEW YORK, STATE OF NEW YORK

## BANKERS TRUST COMPANY



Acts as Executor,  
Trustee, Agent,  
Custodian.

Pays Interest on Deposits

Bank Statements

100 Years A  
Commercial Bank

THE  
CHATHAM  
AND  
PHENIX



192 Broadway  
Cor. John St.

Capital & Surplus, \$3,500,000  
Resources, - - 40,000,000

Charter Member N.Y. Clearing House

Member Federal Reserve Bank

Condensed Statement of Condition at the  
Close of Business, Sept. 2nd, 1915

Resources

Loans and Discounts \$24,776,254.31  
U. S. Bonds (Par).. 1,350,000.00  
Other Stocks & Bonds 3,367,640.70  
Banking House..... 170,000.00  
Cash and Exchange. 10,373,839.82  
\$40,037,734.83

Liabilities

Capital..... \$2,250,000.00  
Surplus and Undivided Profits..... 1,457,905.99  
Circulation..... 1,191,397.50  
Deposits..... 35,138,431.34  
\$40,037,734.83

Officers

LOUIS G. KAUFMAN,  
President.

FRANK J. HEANEY, Vice-Pres.  
RICHARD H. HIGGINS, V.-Pres.  
WILLIAM H. STRAWN, V.-Pres.  
FRANK V. BALDWIN, V.-Pres.  
BERT L. HASKINS, V.P. & Cash.  
NORRIS P. GATLING, V.-P.  
HENRY L. CADMUS, Asst. Cash.  
WALTER B. BOICE, Asst. Cash.  
HENRY C. HOOLEY, Asst. Cash.  
VINTON M. NORRIS, Asst. Cash.  
JOSEPH BROWN, Asst. Cashier  
GEORGE M. HARD, Chairman.

We Invite Your Account

Second National Bank

Fifth Ave. and 28th St., New York  
Report of Condition Sept. 2, 1915.

RESOURCES

Loans, discounts & investments...\$13,721,569 55  
U. S. bonds & other securities to  
secure circulation & U. S. deposits 785,000 00  
Banking house..... 1,048,950 99  
Due from banks..... 473,518 39  
5% Redemption Fund..... 34,250 00  
Reserve in Federal Reserve Bank... 919,339 99  
Cash, Exchanges & due from U. S.  
Treas..... 2,614,369 26  
\$19,596,998 18

LIABILITIES

Capital Stock..... \$1,000,000 00  
Surplus & undivided profits..... 3,226,877 54  
Reserve for taxes..... 21,408 67  
Circulation..... 667,897 50  
Deposits..... 13,775,214 56  
U. S. bond account..... 835,000 00  
Other Liabilities..... 70,599 91  
\$19,596,998 18

WILLIAM A. SIMONSON, President  
EDWARD H. PEASLEE, Vice-President  
WILLIAM PABST, Cashier  
CHAS. W. CASE, Asst. Cashier  
ARTHUR L. BURNS, Asst. Cashier

Financial

TO THE HOLDERS OF

Missouri Pacific Railway Co. Trust Five Per Cent Bonds  
due January 1, 1917, and

Missouri Pacific Railway Co. First Collateral Mortgage  
Five Per Cent Bonds due August 1, 1920

The Missouri Pacific Railway Company having been placed in the hands of Receivers, as authorized by Article Fifth of the Plan and Agreement of Readjustment, dated July 1, 1915, which Plan neither makes provision for the payment of the above bonds at maturity nor for their extension, but on the contrary for their exchange par for par into a security in our opinion of inferior lien, and as announcement has been made that the interest due September 1, 1915, on the Trust Five Per Cent Bonds will not be paid, the undersigned, as owners or representing owners of a large amount of both series of said bonds, have agreed to act as a Protective Committee.

Bondholders are requested to deposit their bonds with the Columbia Trust Company at its office, No. 60 Broadway, New York City, the Depository of the Committee. All bonds so deposited whether registered or coupon must be in negotiable form, and coupon bonds of either issue must bear all coupons maturing subsequent to August 1, 1915. Certificates of Deposit will be issued and application will be made to list them on the New York Stock Exchange.

In the judgment of the Committee, it is imperative that immediate concerted action be taken by the bondholders for their own protection, and it is, therefore, requested that bonds be deposited promptly. Copies of the Deposit Agreement may be obtained from the Depository or from the Secretary of the Committee.

The Committee will arrange to advance to depositing bondholders the amount of interest due September 1, 1915, upon the Trust Five Per Cent Bonds of 1917 at the time of deposit or upon presentation of certificates of deposit for appropriate stamping. Ownership certificates in accordance with the Federal Income Tax Law must be presented. Similar action will be taken as to the interest due February 1, 1916, upon the Collateral Mortgage Five Per Cent Bonds of 1920 in case that interest should not be paid.

New York, August 31, 1915.

MOREAU DELANO,  
Brown Brothers & Co.,  
Chairman.

WILLARD V. KING,  
President, Columbia Trust Co.

JAMES TIMPSON,  
2nd Vice-President, The Mutual  
Life Insurance Co. of New York.

ASA S. WING,  
President, Provident Life and  
Trust Co. of Philadelphia.

L. EDMUND ZACHER,  
Treasurer, The Travelers Insurance Co. of Hartford.

MORRELL W. GAINES, Secretary,  
No. 59 Wall Street, New York City.

CADWALADER, WICKERSHAM & TAFT,  
Counsel.

COLUMBIA TRUST COMPANY, Depository,  
No. 60 Broadway, New York City.

BROWN BROTHERS & CO.,  
Philadelphia and Boston.

will act for the Depository in receiving and  
forwarding bonds.

We Own and Offer

\$400,000

MUNICIPAL TAX EXEMPT GOLD BONDS

Returning the purchaser 5 3/4% interest.

Denominations \$1,000, \$500, \$100.

Interest Jan. 1st—July 1st. Serial Maturities 1936-1955.

These bonds are issued under special and direct approval of the State of California as shown by a certificate of the State Controller attached to each bond.

Descriptive circulars Nos. 22 and 23 mailed upon application.

Sales arrangements with Banking Houses and Bond Dealers desired.

E. J. KNIGHT CO.

716 Title Insurance Building  
LOS ANGELES, CALIFORNIA

# MIDWEST REFINING COMPANY

## CAPITAL STOCK

**AUTHORIZED**  
\$20,000,000

**OUTSTANDING**  
\$18,000,000

**PAR VALUE**  
\$50 00

The company has no bonded indebtedness.

**DIVIDENDS:** January 20, 1915, 1%; April 20th, 1%; July 20th, 1%.

**PROPERTY:** The company is located in Denver, Colorado, and owns and operates a refinery at Casper, Wyoming, with a capacity of 17,800 bbls. of crude oil daily and has in addition a full equipment of pipe lines, tank cars, acid plant, etc.

**CRUDE OIL SUPPLY:** The company's supply of crude oil is derived from the Salt Creek field of Wyoming. The company also has an interest in the Grass Creek and Buffalo Basin fields of Wyoming. All these fields are regarded by oil authorities to have excellent prospects.

**CUSTOMERS:** The company is especially fortunate as regards the marketing of its products. Among its large customers are Standard Oil Company of Indiana, Standard Oil Company of Nebraska, Standard Oil Company of California, Continental Oil Company, Imperial Oil Company of Canada, The Texas Company and National Refining Company. The Chicago & North-Western and Chicago Burlington & Quincy railroads are also large fuel oil customers.

**EARNINGS:** From March 1, when the company started operating, to December 31, 1914, net earnings before depreciation amounted to \$1,232,085. This was a remarkable record in the face of extreme depression in the oil industry. So far this year earnings have shown a good increase and are understood to be running well ahead of present dividend requirements. Earnings for July were the largest of any month since the company's organization, with every prospect of this record being surpassed in August. With the present advancing tendency for refined products, the company's profits for the completed year 1915 will doubtless show a great increase.

We offer for sale a limited amount of this stock

Price on application

Descriptive Circular on Request

**CARL H. PFORZHEIMER & CO.**

25 BROAD ST.

'Phones 4860-1-2-3-4 Broad

NEW YORK

## EXEMPT FROM FEDERAL INCOME TAX CITY OF MEMPHIS, TENN. 5% BONDS

Due August 1, 1920 to 1923 inclusive

Assessed Valuation, 1914.....\$124,130,336  
Net Bonded Debt.....\$10,288,000

Population 1910 (U. S. Census) 131,105

Prices to yield 4.65%

Circular on application

**R. M. GRANT & CO.**

31 NASSAU ST., NEW YORK

BOSTON

CHICAGO

### Dividends

#### AMERICAN GAS & ELECTRIC COMPANY.

##### COMMON STOCK DIVIDEND NO. 22.

New York, September 10, 1915.

A regular quarterly dividend of two per cent (2%) on the issued and outstanding COMMON Capital Stock of American Gas & Electric Company has been declared for the quarter ending September 30, 1915, payable October 1, 1915, to stockholders of record on the books of the company at the close of business September 20, 1915.

FRANK B. BALL, Treasurer.

#### AMERICAN GAS & ELECTRIC COMPANY.

##### PREFERRED STOCK DIVIDEND NO. 35.

New York, September 10, 1915.

A regular quarterly dividend of one and one-half per cent (1½%) on the issued and outstanding PREFERRED Capital Stock of American Gas & Electric Company has been declared, for the quarter ending October 31, 1915, payable November 1, 1915, to stockholders of record on the books of the company at the close of business October 20, 1915.

FRANK B. BALL, Treasurer.

#### GENERAL CHEMICAL COMPANY.

25 Broad St., New York, August 20, 1915.

The regular quarterly dividend of one and one-half per cent (1½%) will be paid October 1, 1915, to Preferred Stockholders of record at 3 p. m. September 17, 1915.

LANCASTER MORGAN, TREASURER.

### Dividends

#### The Western Union Telegraph Company

New York, September 10, 1915.

DIVIDEND NO. 186.

A quarterly dividend of ONE AND ONE-QUARTER PER CENT has been declared upon the Capital Stock of this Company, payable at the office of the Treasurer on and after the 15th day of October, 1915, to shareholders of record at the close of business on the 20th day of September, 1915.

The transfer books will remain open.

LEWIS DRESDNER, Treasurer.

#### RAY CONSOLIDATED COPPER COMPANY.

25 Broad St., New York, Sept. 9, 1915.

The Executive Committee of the Ray Consolidated Copper Company has this day declared a quarterly dividend of 37½ cents per share, payable September 30, 1915, to stockholders of record at the close of business September 16, 1915.

E. P. SHOVE, Treasurer.

#### CHINO COPPER COMPANY.

25 Broad St., New York, September 9, 1915.

The Board of Directors of the Chino Copper Company has this day declared a quarterly dividend of 75 cents per share, payable September 30th, 1915, to stockholders of record at the close of business September 16th, 1915.

C. W. PETERS, Treasurer.

### Dividends

#### CENTRAL STATES ELECTRIC CORPORATION

Preferred Stock Dividend No. 13.

September 7th, 1915.

The Board of Directors has to-day declared the thirteenth quarterly dividend of One and Three-Quarters Per Cent (1¾%) on the Preferred Stock of the Central States Electric Corporation, payable October 1st, 1915, to stockholders of record at the close of business September 10th, 1915. Checks will be mailed.

E. W. FREEMAN, Treasurer.

#### ANSCO COMPANY.

A quarterly dividend of two and one-half (2½%) Per Cent has been declared on the stock of ANSCO COMPANY, payable October 1st, 1915, to Stockholders of record September 15th, 1915. The transfer books will be closed at the office of the Company, 61 Broadway, New York City, at three o'clock P. M., September 15th, 1915, and will be reopened October 1st, 1915.

A. C. LAMOUTHE, Secretary.

#### OTIS ELEVATOR COMPANY.

26th St. & 11th Ave., N. Y. C., Sept. 8, 1915.

The quarterly dividend of \$1 50 per share on the Preferred Stock, and \$1 25 per share on the Common Stock of the Company, will be paid Oct. 15, 1915, to stockholders of record at the close of business on Sept. 30, 1915. Checks will be mailed.

W. G. McCUNE, Treasurer.

#### GIRARD TRUST COMPANY.

At a meeting of the Board of Managers, held this day, a QUARTERLY DIVIDEND OF NINE (9) PER CENT was declared payable on October 1st, 1915, to stockholders of record on the books of the Company at the close of business September 15th, 1915. Checks for dividends will be mailed.

GEORGE H. STUART 3d, Treasurer.

Philadelphia, Pa., September 9th, 1915.

#### HOMESTAKE MINING COMPANY.

September 7th, 1915.

DIVIDEND NO. 491.

The Board of Directors has to-day declared a monthly dividend of sixty-five (65c.) cents per share, payable September 25th, 1915, to stockholders of record at the close of business September 20th, 1915.

Checks will be mailed by Columbia Trust Company, Dividend Disbursing Agent.

FRED CLARK, Secretary.



Financial

READJUSTMENT OF CAPITAL AND DEBT  
OF  
The Missouri Pacific Railway Company  
AND  
St. Louis, Iron Mountain & Southern Railway Co.

In view of the appointment of a Receiver for each of the above named Companies, the time for the deposit of the securities hereinafter described with the Depositaries and Sub-Depositaries named below, subject to the Plan and Agreement of Readjustment dated July 1, 1915, has been extended TO AND INCLUDING OCTOBER 15, 1915.

Default having been made in the payment of the interest due September 1, 1915, upon the Forty Year Four Per Cent Gold Loan Bonds, the Five Per Cent First and Refunding Mortgage Fifty-Year Gold Bonds and the Trust Five Per Cent Bonds due January 1, 1917, mentioned below, THE RESPECTIVE DEPOSITARIES AND SUB-DEPOSITARIES FOR SUCH BONDS WILL, IF DESIRED BY DEPOSITING BONDHOLDERS, ADVANCE TO THEM UPON THEIR BONDS, AT THE TIME OF DEPOSIT OF THE SAME, OR UPON PRESENTATION OF THEIR CERTIFICATES OF DEPOSIT HERETOFORE ISSUED, THE AMOUNT OF THE INTEREST DUE SEPTEMBER 1, 1915, UPON THEIR BONDS. Ownership certificates in accordance with the Federal income tax law will be required in case of all advances.

DEPOSITARIES.

For Capital Stock of The Missouri Pacific Railway Company.  
CENTRAL TRUST COMPANY OF NEW YORK, 54 Wall Street, New York City.

For The Missouri Pacific Railway Company's Forty-Year Four Per Cent Gold Loan Bonds,  
due March 1, 1945.  
BANKERS TRUST COMPANY, 16 Wall Street, New York City.

For The Missouri Pacific Railway Company's  
Five Per Cent First and Refunding Mortgage  
Fifty-Year Gold Bonds, due September 1,  
1959.  
Consolidated First Mortgage Six Per Cent  
Bonds, due November 1, 1920,  
Trust Five Per Cent Bonds, due January 1,  
1917.  
First Collateral Mortgage Five Per Cent  
Bonds, due August 1, 1920, and  
Lexington Division Five Per Cent First Mort-  
gage Bonds, due August 1, 1920.

St. Louis Iron Mountain & Southern Railway  
Company's First and Refunding Mortgage  
Six Per Cent Forty-Year Gold Bonds, due  
July 1, 1952.  
The Kansas & Colorado Pacific Railway Com-  
pany's First Refunding Mortgage Thirty-  
Year Six Per Cent Gold Bonds, due February  
1, 1938.  
The Central Branch Railway Company's  
First Mortgage Four Per Cent Gold Bonds,  
due February 1, 1919.  
The Central Branch Union Pacific Railway  
Company's First Mortgage Four Per Cent  
Gold Bonds, due June 1, 1948.

The Leroy & Caney Valley Air Line Railroad  
Company's Five Per Cent First Mortgage  
Bonds, due July 1, 1926.  
The Kansas City Northwestern Railroad  
Company's First Mortgage Five Per Cent  
Gold Bonds, Series A, due January 1, 1933.  
Boonville St. Louis & Southern Railway Com-  
pany's First Mortgage Forty-Year Five Per  
Cent Gold Bonds, due August 1, 1951.  
Little Rock Junction Railway's First Con-  
solidated Mortgage Six Per Cent Bonds, due  
April 1, 1916.

GUARANTY TRUST COMPANY OF NEW YORK, 140 Broadway, New York City.

SUB-DEPOSITARIES FOR ALL SECURITIES

St. Louis: MERCANTILE TRUST COMPANY.  
London: GUARANTY TRUST COMPANY OF NEW YORK.

ADDITIONAL SUB-DEPOSITARIES

Amsterdam: { For Bonds: HOPE & CO.,  
AMSTERDAMSCH BANK.  
For Stock: Administration office of BROES & GOSMAN.  
Basle: { For Five Per Cent Refunding Bonds:  
BANK VEREIN SUISSE.  
Zurich: { For Four Per Cent Gold Loan Bonds:  
SCHWEIZERISCHE KREDIT-ANSTALT.  
For Five Per Cent Refunding Bonds:  
BANQUE FEDERALE.  
Berlin: { For Four Per Cent Gold Loan Bonds:  
DEUTSCHE TREUHAND GESELLSCHAFT.

Stock certificates must be duly endorsed in blank for transfer or be accompanied by blank transfers and must be stamped at the rate of two cent.<sup>8</sup> per share under the New York stock transfer tax law and also two cents per share under the Federal Emergency Revenue Act. Coupon bonds must be accompanied by all coupons maturing on or after September 1, 1915. Bonds registered as to principal must be restored to bearer form before deposit; and registered bonds must be exchanged for coupon bonds, or be registered in the name of the proper Depositary and be accompanied by proper assignments of any interest thereon maturing on or after September 1, 1915, and on or prior to the date of such registry.

Deposits of securities will not be received after October 15, 1915, except upon terms approved by the Readjustment Managers. Copies of the Plan and Agreement of Readjustment may be obtained from any of the Depositaries or Sub-Depositaries or from the Secretary of any of the three Committees named below.  
Dated, New York, September 8, 1915.

KUHN, LOEB & CO.,  
Readjustment Managers.

The undersigned Committees have approved and adopted the Plan and Agreement of Readjustment mentioned in the foregoing notice and recommend to holders of the securities which they respectively represent the prompt deposit of their securities.

ALEXANDER J. HEMPHILL, Chairman,  
ROBERT FLEMING (London)  
DONALD G. GEDDES  
JEROME J. HANAUER  
ALVIN W. KRECH  
C. E. ter MEULEN (Amsterdam)

Committee representing Five Per  
Cent First and Refunding Mort-  
gage Bonds.

LEWIS B. FRANKLIN, Secretary, 140 Broadway, New York City.

FRANK N. B. CLOSE, Chairman,  
OTTO H. KAHN  
JOHN H. McCLEMENT  
JOHN W. PLATTEN  
J. G. SIEGERS (Amsterdam)  
W. H. WILLIAMS

Committee representing Forty-Year  
Four Per Cent Gold Loan Bonds.

B. W. JONES, Secretary, 16 Wall Street, New York City.

JAMES N. WALLACE, Chairman,  
J. HORACE HARDING  
FREDERICK STRAUSS  
ALBERT H. WIGGIN  
ROBERT WINSOR

Committee representing Missouri  
Pacific Railway Company Stock.

C. E. SIGLER, Secretary, 54 Wall Street, New York City.

Dividends

AMERICAN CAN COMPANY

A quarterly dividend of one and three-quarters per cent has been declared upon the Preferred Stock of this Company, payable October 1st, 1915, to Stockholders of record at the close of business September 16th, 1915. Transfer Books will remain open. Checks mailed.  
R. H. Ismon, Secretary & Treasurer.

MAQUA COPPER COMPANY.

A quarterly dividend of fifty cents per share as been declared on the stock of this Company, payable September 30th, 1915, to stockholders record at the close of business on September 1915.

HENRY E. DODGE, Treasurer.  
t. 9th, 1915.

C. I. HUDSON & CO.

Nos. 34-36 WALL ST., NEW YORK

Members New York, Philadelphia and  
Chicago Stock Exchanges

TELEPHONE 3070 JOHN

Miscellaneous Securities  
in all Markets

PRIVATE WIRES TO PRINCIPAL CITIES

We beg to announce that  
Mr. M. J. Murphy, of Scranton,  
Pennsylvania, has this  
day been admitted to our  
firm as a general partner.

MEGAREL & CO.

Members N. Y. Stock Exchange.

35 Pine St., New York



### THE FINANCIAL SITUATION.

We wonder how many persons appreciate the extraordinary character of the expedient which the Secretary of the Treasury and the Federal Reserve Board have just adopted for financing the assumed needs of the cotton sections. The Secretary announces that in carrying out his purpose to contribute \$30,000,000 of Government funds towards the relief of the cotton producer he intends to deposit immediately \$5,000,000 of Government cash in each of the three Federal Reserve banks in the South, namely those at Richmond, Atlanta and Dallas, and that as part of the scheme the Federal Reserve banks will grant rediscounts on cotton paper to member banks only where these member banks agree to charge not more than 6% for the accommodation to the planter, this 6% to include any commission the borrower has heretofore been called upon to pay. In order to facilitate the process an exceptionally low rate is to be allowed by the Federal Reserve banks on rediscounts of this character.

The first thought that suggests itself with reference to the whole proceeding is that apparently mistaken ideas have prevailed with reference to the new banking system provided under the Federal Reserve Law. It has been the general understanding—nay, more than that, the general belief—that the new banking system had been established on such a comprehensive basis that no one need ever again have any anxiety as to the future; that it had been planned so broadly and so wisely that it would prove adequate to all requirements and be found capable of dealing with every situation and every emergency, ordinary or extraordinary. So confident have the Government authorities themselves been as to the scope and adequacy of the new system that they allowed the repeal of the provision in the Aldrich-Vreeland Law for the issuance of \$500,000,000 to \$1,000,000,000 of emergency currency, to become effective on July 1 of the present year, without any attempt to arrest the repeal, and indeed expressed themselves as averse to interfering with the repeal.

Yet now comes the time for the seasonal movement of the cotton crop and the Secretary of the Treasury feels called upon to come post haste to the rescue of the three Federal Reserve banks of the South, out of a fear that otherwise these banks may not be able to finance the needs of the cotton producers. This looks the more strange, since it is obviously the belief of the Secretary that the sum of relief required is not very extensive. He has it in mind to make aggregate deposits of only \$30,000,000, of which \$15,000,000 is to be deposited immediately, or has already been so deposited. The conclusion would therefore seem to be that, assuming the judgment of the Secretary is not faulty, the situation is such that in a period of very commonplace monetary conditions and at a time when bank vaults in the larger centers are bursting with idle cash, and the New York City Clearing House institutions are actually reporting excess reserves of over \$209,000,000, the new banking system is unable itself to provide the comparatively small amount of assistance to the Southern sections which \$30,000,000 of Government cash is counted upon to render.

Perhaps the Secretary is acting from an excess of zeal; for ourselves we rather think he is, but, even accepting that as the true explanation, is not the action

of the Treasury Department calculated to shake the faith of the ordinary individual in the efficacy of the new system? Mr. McAdoo, in announcing his intentions regarding the matter, said: "The deposits of Government funds in the South to aid in moving the cotton crop is simply carrying out the policy adopted by the Treasury Department in 1913, when the first crop-moving deposits were made. In 1913 and 1914 Government deposits were made to assist in moving the grain crops in the West and Northwest as well as the cotton crop in the South." He then goes on to state that: "This year the South is the only section of the country where Government deposits would appear to be helpful. But if it should develop that crop deposits are needed in any other section of the country, the Treasury Department will be just as ready to extend assistance within the limit of its available resources to other sections of the country as it has been to the South."

The reference the Secretary here makes to similar previous deposits seems hardly apropos, for these previous deposits were made when the country was still hobbling along under the old banking system, and it has been supposed by everybody that extraneous help from the Government or from any other agency would not be required now that we have a new system expressly devised to overcome the defects of the old. The Secretary acts and talks as if the country remained as helpless in its banking mechanism as before the new law was enacted. His attitude in that regard is difficult to understand.

Another thing that the Secretary's course makes plain is that he considers he is charged with responsibility for the action of both the Treasury Department and the Federal Reserve system. Quite obviously he has the idea that it is his duty to formulate policies for the Reserve banks as well as for the Treasury Department. In the Treasury Department his authority, of course, is supreme. In the Federal Reserve Board he apparently meets with no opposition and easily succeeds in imposing his will upon the other members of the Board. In the discussions in Congress during the consideration of the bill, much apprehension was expressed lest the new banking system should fall completely under the control of the Government. In reply it was urged that this was exceedingly unlikely, since the Secretary, with the Comptroller of the Currency, would always be in a decided minority, there being five other members on the Board. The actual experience thus far has been that on large questions of policy the Secretary maps out the course to pursue and the other members of the Board are so completely in harmony with his ideas and purposes that they readily accept his leadership. Thus his is the dominating personality, notwithstanding the Board is made up of able and forceful men.

The Secretary, quite unconsciously, on occasions discloses the all-controlling part he exercises. Thus, in this instance, he says: "After a conference with my colleagues in the Federal Reserve Board I have concluded that the best plan," &c. The Secretary here was referring to his course in making Government deposits, where decision would in any event rest with him. But the language in other cases is much the same, and it is quite obvious that while he consults with the other members of the Board, his wishes are accepted as a matter of course. On this occasion the quiescent attitude of the Reserve Board was absolutely essential to the success of the

Secretary's undertaking, for most extraordinary conditions are attached to the Government deposits that are to be made with the Federal Reserve banks of the South, and the Reserve Board has yielded full compliance thereto.

Secretaries of the Treasury in the past have gone far in assuming additional functions and powers and in giving new meaning to old provisions of law, but in the conditions now imposed with the cooperation of the Reserve Board, Mr. McAdoo goes beyond what any of his predecessors would have essayed to do in the same circumstances. He has had the Reserve Board prescribe regulations under which rediscounts will be granted only in those cases where the member bank will bind itself not to charge those borrowing on cotton paper more than 6% for the loan, this to include any commission the bank may have made it a practice to charge in the past. Here is Government paternalism in a new form.

To carry out Mr. McAdoo's scheme "the Federal Reserve Board has adopted regulations authorizing Federal Reserve banks"—so reads the statement of the Reserve Board—"to give *special* rates for rediscount on commodity paper, that is, promissory notes having not more than ninety days to run, which are specifically secured by warehouse receipts for staple and readily marketable commodities of a non-perishable character, properly insured." The statement then goes on to say: "It is believed that preferential rates on this class of paper will be of especial service at this time in aiding in the gradual and orderly marketing of the cotton and other crops. In order that producers may be directly benefited by the low rates authorized, the Board has made it a condition that paper offered by member banks for rediscount at the preferential rate shall be paper on which the makers have paid or have contracted to pay in the way of interest or discount, including commissions, a rate not exceeding 6% per annum."

Another part of the Federal Reserve Board's statement goes on to say that "a rate of 3% for special 'commodity paper' has been proposed by the Federal Reserve banks of Atlanta and Dallas, to which the substance of the proposed regulation had been communicated, and *this 3% rate was approved at the meeting to-day.*" It is then reiterated that "this means that the member bank which applies for a rediscount of paper secured by properly insured staples will obtain the funds asked for at 3% provided that the total charges made by such member bank to the maker of the paper did not originally exceed 6% per annum, including commissions."

The nature of this transaction should not be misunderstood. It is nothing more nor less than a scheme for regulating and fixing banking profits. The Federal Reserve Law is in its earliest infancy and yet the Reserve Board, at the instance of the Secretary of the Treasury, has already embarked on the dubious course of prescribing profits. In effect the Reserve Board is undertaking to do for the banking business what the Inter-State Commerce Commission has been doing for the railroad business with such disastrous results, only that the Commission has some warrant for its action in the law itself whereas the Federal Reserve Board has none whatever, though the scheme is very cleverly contrived so as to afford seeming compliance with the provisions of the law.

The Reserve Board decides that the difference between the 3% which the bank is obliged to pay for its rediscounting loan and the 6% per annum which it is allowed to charge the customer, must be considered sufficient to compensate the bank for its work, its trouble and its risk. As this is a scheme for storing commodities and holding them off the market, the element of risk may eventually prove considerable, and this risk in the first instance will fall upon the bank making the loan. We do not assume to say that this difference of 3% between what the member bank pays and what it is allowed to charge is or is not adequate. We do not consider ourselves competent to decide the question, though on the face the margin of profit looks narrow and small. What we wish to emphasize is that it is an arbitrary fixing of profits, and that it is the Government, working through the Federal Reserve Board, that is saying what the profit shall be, instead of leaving it to the unrestrained competition of the thousands of banks represented in the system.

We wish also to direct attention to the nature of the transactions themselves which are thus to enjoy the special favor of the Government. The Government's solicitude and intervention is in behalf of goods to be stored in warehouses and there held for higher prices. Special facility for borrowing at low rates is to be accorded to aid the movement. It should be distinctly understood that the arrangement is not intended to apply to cotton alone. Secretary McAdoo has taken particular pains to emphasize that fact, saying: "It must not be inferred that the regulations adopted by the Federal Reserve Board concerning commodity loans apply only to cotton. These regulations apply to all non-perishable and staple commodities in all parts of the country, and like credit facilities are available to producers in all parts of the country."

In other words, holders of commodities everywhere are to be encouraged in placing them in warehouses and borrowing upon them. Notice is given that if they do this the immense resources of the Federal Reserve banks and of the member banks are to be made available for the purpose, while the Government will throw its own cash into the bargain. And the rate is to be kept low so as to stimulate borrowing. Is not the Reserve Board laying the foundation for a gigantic credit inflation in all this, should the inducements offered unfortunately find wide acceptance? But, waiving that point, is not the Reserve Board, in saying what the margin of profit shall be on transactions of this nature, which may easily turn out to be extra hazardous, proceeding in disregard of the possible consequences in deterring non-member banks from entering the system and in inducing member banks to withdraw from it?

If the Reserve Board has the right to prescribe the margin of profit in one case, it has the authority to do so in all cases. In any event, if the advantage to be obtained from rediscounting, which is the main inducement for entering the system or remaining in it, is to be thus restricted and circumscribed, is there not danger that a large number of banks will conclude that they will be better off outside the system than within it? Aside from the question of profits, too much official meddling will be sure to make banks debate seriously whether they should place themselves under a jurisdiction where they invite such treatment.

The commercial failures exhibit for the United States for August 1915 is less favorable than for the same month of any earlier year in number of defaults, but in the amount of liabilities there is a very decided improvement as compared with 1914, and the showing is also better than two years ago. During the corresponding time a year ago the European war—then in its first month—was, of course, a more or less potent factor in our mercantile and industrial affairs, yet the large increase in failed indebtedness reported for the period was due in greatest measure to unfavorable conditions or developments here. It will probably be recalled that in August last year there were 31 large failures (for amounts in excess of \$100,000), accounting in all for \$32,101,623, or nearly 75% of the aggregate insolvent liabilities. Of this amount almost one-third was contributed by the International Steam Pump Co., whose failure could in no manner be ascribed to the war. Furthermore, the casualties among brokerage houses, which involved upwards of 17¼ million dollars, were apparently merely accelerated by conditions abroad, not actually caused thereby, as developments here had already tended to weaken the standing of the concerns. As against the foregoing especially unfavorable exhibit for August last year, the showing for the month in the current year is notably satisfactory, the number of large failures being stated at only 24 and representing but \$6,981,362. Moreover, it is a noteworthy fact that almost steadily, month by month since January, the number of failures has decreased, and this, taken in connection with the important falling off in the volume of liabilities of late, would seem to indicate a marked lessening of the stress or strain from which trade and industry have been suffering, partly on account of serious contraction in our foreign commerce along many lines and the decreased purchasing power of the masses.

Messrs. R. G. Dun & Co.'s compilation of mercantile disasters for August, which furnishes the basis for our remarks, gives the number of failures for the month as 1,395, with liabilities of \$17,733,552, this contrasting with a commercial mortality of 1,272 for no less than \$43,468,116 in 1914 and 1,145 for \$20,848,916 in 1913. In 1908 the indebtedness reported was \$23,787,378. Segregating the insolvents into classes, the most favorable showing is in the brokerage, &c., division, where not only is there a decrease in the number of defaults, but the indebtedness stands at only \$1,618,596 against \$18,888,313 a year ago. The liabilities last year were, as already indicated, inordinately swelled by the suspension of such prominent concerns as S. H. P. Pell & Co. and Flower & Co. In the manufacturing section reported liabilities of \$9,197,401 compare with \$16,168,970 in 1914. Last year's abnormal total was largely accounted for by the suspension of the pump concern referred to above. This year the only noteworthy expansion in liabilities occurred in lumber and allied industries, iron foundries, and nails and leather, shoes and harness. In fact, in a number of lines distinct improvement is in evidence. In trading branches a decline of about 1½ million dollars in debts is indicated (\$6,917,555 contrasting with \$8,410,833), and it is quite generally shared in, the only mentionable increase being in the liabilities of general stores and this mainly at the South.

For the eight months the 1915 failures total 15,874, far exceeding all earlier years, and comparing

with 11,226 in 1914 and 10,477 in 1913. The liabilities, however, at \$225,255,990, fall 23¾ million dollars below a year ago, when the aggregate was \$248,944,994, and contrast with \$174,083,682 in 1913. Manufacturing insolvencies involved \$84,958,899 this year against \$85,220,215 last year, trading indebtedness reached \$114,059,485 against \$119,009,889, and liabilities of brokers, &c., were very much less than a year ago—\$26,237,606 against \$44,714,890.

Failures in Canada in August, while smaller in number than in 1914, covered liabilities moderately greater. Since Jan. 1 the respective aggregates for the current year are the heaviest on record.

The four members of the British financial commission and the two members of the French commission who are to meet American bankers to discuss the best means for regulating the exchanges between New York, London and Paris arrived on the steamship Lapland yesterday morning. At Quarantine they were met by J. P. Morgan and H. P. Davison, who boarded the liner from Mr. Morgan's yacht, the Corsair, and accompanied the members to their headquarters at the Hotel Biltmore. Captain George Gaunt, the British Naval attache, also joined the party at Quarantine. The members of both commissions are distinguished as authorities in their own countries and have international reputations. The chairman of the British commission is Baron Reading, Lord Chief Justice of England. The other British members are Sir Edward Hopkinson Holden, Chairman of the London City & Midland Bank, Sir Edward Babington Smith, President of the National Bank of Turkey, and Basil P. Blackett, an expert from the British Treasury, who, it will be recalled, accompanied Sir George Paish to this country soon after the opening of the war. The French commissioners include M. Ernest Mallett, Regent of the Bank of France, and M. Octave Homberg, who represents the French Foreign Office. The Commissioners were also met at Quarantine by numerous American journalists and newspaper photographers. They met these visitors frankly, indulging in many pleasantries and posed for their photographs. But they refused to talk seriously as to the object of their mission. All that was obtainable was the following typewritten statement furnished by Lord Reading:

The joint Anglo-French mission has come to the United States in connection with the question of exchanges between New York, London and Paris. The object of the visit is to consult with American bankers and other interested persons as to the best means to be adopted for regulating the exchanges between the cities named in order that the commerce of the three countries may suffer as little as possible during the course of the war.

The first work of the Commissions after their arrival was to accept the invitation of Mr. Morgan to meet a group of representative American bankers at 2.30 in the afternoon at the Morgan Library, which became so famous for its various conferences during the financial upheaval of 1907. In the evening the visitors attended a dinner at which additional financial representatives of this country were present. Aside from the formal statement Lord Reading did say that he and his associates had come over without final plans. They were open minded and

were exceedingly anxious for a full and frank interchange of views. There is authority for the statement that no formal discussions took place yesterday. Nor were any plans presented. The proceedings consisted exclusively of introductions of various prominent financiers to the Commissioners.

The formal note of Germany bearing on the sinking of the White Star liner *Arabic*, which was received by our State Department on Thursday, raises a question as to the value and significance of Germany's promise that ocean liners are not to be attacked without warning and are not to be torpedoed until the safety of the passengers has been assured, unless they attempt to escape or to offer resistance. The new German note, which was communicated to the American Ambassador at Berlin under date of Sept. 7, refuses to admit obligation to pay indemnity for American lives lost on the vessel, even if it should develop that the submarine commander was in error in thinking the *Arabic* meant to ram his vessel. The latter is the excuse given by the commander for torpedoing the vessel. The German note in full appears on a subsequent page. The submarine situation has been complicated and the importance of last week's German assurances further diminished by the torpedoing, also without warning, of the Allan Line steamer *Hesperian* with 350 passengers and a crew of 300 aboard. The vessel was bound from Liverpool for Montreal and was attacked presumably by a German submarine, off the Irish coast just as darkness was falling on Saturday evening. There were three Americans among the crew, although no Americans were passengers. One American is supposed to have died. The entire incident is receiving very serious attention by the President and his Cabinet.

That President Wilson has determined on a firm policy is indicated by the instructions that were forwarded by our State Department on Wednesday to our Ambassador at Vienna to inform the Austro-Hungarian Government that Dr. Constantin Dumba was no longer acceptable as Ambassador to the United States, and to ask for his recall. Formal announcement that such action had been taken was made by Secretary Lansing on Thursday night in a statement which we print on another page. Advices from Washington last evening from correspondents who are usually well informed state that there is a strong possibility that the recall of other diplomats may be requested for indiscretions very similar to those of Dr. Dumba.

In a telegram addressed to Raymond Poincare, President of France, Emperor Nicholas of Russia, announced on Tuesday last that he had placed himself in command of all the Russian armies. The Czar's action was interpreted quite generally as an indication of a new Russian offensive movement. The Grand Duke Nicholas has been transferred and is now in command of the Russian army in the Caucasus, according to press accounts from Petrograd. There already has been substantial indication of renewed Russian activities, if Russian accounts are to be believed, a victory near Tarnopol early in the week having been followed by another success in Eastern Galicia, southwest of Trembowla, where in two days' fighting the Russians claim to have captured 150 officers and 7,000 men and to have

driven the enemy back toward Spripa. In the fighting on Sereth front, says the official Russian report, the total number of prisoners taken since Sept. 3 is 383 officers and more than 17,000 men, as well as a great quantity of artillery and machine guns. These successes are denied, however, by the German war office, which claims that "the Czar is attempting to deceive his own people in order to suppress the growing feeling of revolt. The important victory before Tarnopol belongs in the class with the recent Russian naval victory in the Gulf of Riga." From the Gulf of Riga to Olita, south of Kovno, the situation, according to the German statement, is unchanged, while the Austro-German center from that point to and beyond the Pripet cat marshes continues to advance. Thence to the Rumanian frontier the Russians are still the aggressors, endeavoring to prevent the invasion of Bessarabia. On the whole, the Russians, with fresh supplies of ammunition, appear to be making a better stand. They are aided doubtless by the rains which are said to be turning the roads, especially in the region of the Pripet and its affluents, into quagmires. On the Western frontier the German Crown Prince is making another attempt to break through the French lines in the Argonne, and, according to the Berlin official statement, has succeeded in taking trenches over the front of 1½ miles and to a depth of from 300 to 500 metres, capturing 2,000 prisoners, 48 machine guns and 64 mine throwers. The French admit that the Germans gained a partial success, but declare that in most instances they were thrown back with heavy losses. Field Marshal Sir John French, Commander-in-Chief of the British army in the field, reports that there has been no recent change in the situation.

Twenty persons were killed and 86 others were injured in a German Zeppelin raid on London on Wednesday night. The British censor apparently refused to permit details of the damage. The chief of the German Admiralty staff, however, issued at Berlin the following report:

"Our naval airships attacked during the night of Sept. 8 and 9 with good results the western part of the city of London, the great factories near Norwich and the harbor works and iron works at Middlesbrough. There were heavy explosions, and numerous fires were observed.

"Our airships were heavily fired at by hostile batteries, but all returned safely."

By a unanimous vote, 610 delegates to the British Trade Union Congress, representing 3,000,000 workers, on Thursday registered their opposition to conscription. The Congress was held in Bristol. The text of the resolution was as follows:

"We, the delegates to this Congress, representing nearly three million organized workers, record our hearty appreciation of the magnificent response made to the call for volunteers to fight against the tyranny of militarism. We emphatically protest against the sinister efforts of a section of the reactionary press in formulating newspaper policies for party purposes and attempting to foist on this country conscription, which always proves a burden to workers and will divide the nation at a time when absolute unanimity is essential.

"No reliable evidence has been produced to show that the voluntary system of enlistment is not adequate to meet all the Empire's requirements. We believe that all the men necessary can and will be obtained through a voluntary system properly organized, and we heartily support and will give every aid to the Government in its present efforts to secure

the men necessary to prosecute the war to a successful issue."

It is believed that the action of the British unions will exert a positive influence on the Government, and will go a long way toward preventing compulsory service. The Minister of Munitions, Lloyd George, in a speech before the Congress declared that the war had resolved itself into a conflict between the mechanics in the contending nations. "With you," said the Minister to the Congress, "victory is assured. Without you our cause is lost. I come here as the greatest employer of labor in this country. You passed resolutions yesterday pledging yourselves to assist the Government in a successful prosecution of the war, and I am here on behalf of the Government to take you at your word." Lloyd George told the delegates that notwithstanding all the efforts that have been made to speed up the work of turning out war munitions only 15% of the available machinery was being worked on night shifts. "The country is not doing its best," he declared. The Minister said the Government had under construction eleven new arsenals, to man which, in addition to the existing arsenals, 200,000 more men were required. "The Government," he added, "cannot equip the army at this time unless the unions suspend during the war all instructions barring unskilled labor and all restrictions tending to prevent a maximum output. Therefore there must be no stoppages." Lloyd George quoted from a trade union circular issued in Coventry in which the men were counseled in effect not to work at their full capacity. "This means," he commented, "that there has been a deliberate attempt to restrict the output of guns, the making of which is vital to the protection of the lives of men at the front. Is there any one here who will defend an action of that kind?" There were loud cries of "No." "Then," said the Minister, "you have answered the question I came down to ask you. I knew you would not support such action." Continuing, he said that as Minister of Munitions he had the right to ask workmen to come forth courageously, and fearlessly say they would have no part "in trying to hold the arm of their native land when it is fighting for its life and their future labors depend largely upon the result of this war." The Minister concluded by appealing to the men not to array the country against organized labor.

The London Stock Exchange will be closed to-day in accordance with the plan of the Committee to give occasional holidays during the summer. For reasons that are only too obvious, it is doubtful, however, whether there will be any real holiday spirit. London correspondents cable that leading bankers at that center are co-operating with a view to bringing about normal conditions in their foreign exchanges as quickly as possible. "They have been actuated in their efforts," according to a Central News cable dispatch, "by a desire to prevent further indiscriminate selling of American securities which diminishes the power of bankers in the United States to lend to London." There was little activity in any quarter reported on the English Exchange during the week. During the closing days news of successes by the Czar's troops in Galicia was responsible for a better undertone. No action has yet been taken in connection with a further reduction in minimum prices. Consols, however, are declared to be only salable at the minimum price of 65 if the seller coincidently

buys the war loan with the proceeds at nearly a full point above the market price of the latter. This, obviously, is merely a subterfuge adopted to cut the minimum price. There has been an increase in taxation of from 7 to 12% in England since the war began, according to a report submitted on Thursday to the British Association for the Advancement of Science. The moratorium, the report asserted, enabled foreign countries to save enormous sums on indebtedness to Britain. "England's best weapon," the report continues, "now is a large loan in the United States, the discouragement of imports, encouragement of exports and increased economy in consumption." The monthly statement of British foreign trade was published by the Board of Trade on Tuesday. It showed for August an almost sensational recovery, imports having increased £27,154,000, while exports increased £8,227,000. The principal increases in imports were £11,000,000 in food, £6,000,000 in raw material and £9,000,000 in manufactured articles. The chief gains in exports were in manufactured articles. Compared with the last corresponding month before the war, in August 1913, imports showed an increase of £13,000,000 but exports were £11,000,000 lower. The excess of imports for August over exports was £37,077,763, against an excess of £18,150,763 in August 1914. For the period January 1 to August 31 the excess of imports this year has been £323,883,300 against £153,685,311 for the same months in 1914. Following comparisons show the trade of the United Kingdom in August and for the eight months ending with August:

	Month of August		Jan. 1 to Aug. 31	
	1915.	1914.	1915.	1914.
Imports.....	£69,516,034	£42,362,034	£574,765,970	£477,759,573
Exports.....	32,438,271	24,211,271	250,882,670	324,074,262
Excess of imports.....	£37,077,763	£18,150,763	£323,883,300	£153,685,311

Comparisons by months with corresponding periods of last year follow:

	Imports		Exports	
	1915.	1914.	1915.	1914.
January.....	£67,401,006	£68,005,009	£28,247,592	£47,806,165
February.....	65,268,814	62,053,651	26,176,937	41,261,797
March.....	75,590,918	66,947,315	30,176,066	44,518,661
April.....	73,678,288	61,626,830	32,169,733	39,946,822
May.....	71,644,966	59,099,290	33,618,992	42,051,196
June.....	76,117,797	58,281,652	33,233,568	39,872,976
July.....	75,548,147	59,383,792	34,721,511	44,405,380
August.....	69,516,034	42,362,034	32,438,271	24,211,271
September.....	.....	45,051,937	.....	26,674,101
October.....	.....	51,559,289	.....	28,601,815
November.....	.....	55,987,058	.....	24,601,619
December.....	.....	67,554,960	.....	26,278,928

British exports of cotton goods amounted to 418,794,000 yards against 313,075,000 yards for August last year. The exports of cotton goods to the leading markets for August compare as follows in yards:

To—	1915.	1914.
United States.....	2,952,000	3,356,000
India.....	154,383,000	169,137,000
China.....	32,510,000	28,027,000
Netherlands.....	4,537,000	1,429,000
France.....	20,483,000	459,000
Egypt.....	25,953,000	9,812,000
Central and South America.....	28,790,000	12,121,000
Total, all countries.....	418,794,000	313,075,000

Included in the exports to the United States for the month were 9,000 lbs. of worsted yarns, comparing with 151,000 lbs. a year ago; woollens, 402,000 yards as compared with 685,000 yards in 1914; worsteds, 1,101,000 yards against 2,809,000 yards.

It has been announced officially that the first settlement of the Paris Bourse since the war began will take place on September 30. Outstanding commitments are estimated at about \$34,000,000 and balances due at \$8,000,000. The official Bourse agents have given full powers to their "Syndic" to

this effect. An early announcement is expected as to settlement of the outstanding Coulisse accounts. It is estimated that the settlement will release possibly \$100,000,000 of contango and other moneys and will at the same time reopen the market to time contracts which are so essential a part of the French Bourse operations. Considerable agitation has arisen against any attempt to settle before the end of the war, and it is intimated that the definite date is not unlikely to be postponed at the last moment.

Financial circles in Berlin are concerned chiefly with the subscriptions to the new German loan. A dispatch from Berlin by way of Amsterdam states that the Krupp family of Essen has subscribed 40,000,000 marks. The highest single subscription to the issue came from the Cologne Savings Bank. It was 45,000,000 marks. The Berlin Municipal Savings Bank is reported by cable to have subscribed 45,000,000 marks as compared with its subscription of 30,000,000 marks for the first war loan and 40,000,000 to the second. The Agricultural Central Loan Bank subscribed 25,000,000 marks. A Berlin financial correspondent states that the new loan will result in the sale of less than \$15,000,000 worth of American securities, according to figures prepared by bankers in close touch with the situation. From the same source it is reported that the previous loans were responsible for the sale of something more than \$50,000,000 worth of American securities, leaving \$100,000,000 still held in Germany. These the dispatch says are not likely to be sold even in case future loans are issued.

No alteration has been made by any of the leading European banks this week in their official discount rates, 5 per cent continuing in London, Paris, Berlin, Vienna and Copenhagen,  $5\frac{1}{2}\%$  in Norway, Sweden and Portugal, 6% in Italy and Russia and  $4\frac{1}{2}\%$  in Switzerland and Amsterdam. Open market rates in London are  $4\frac{3}{4}\%$  for short bills and  $4\frac{3}{4}\%$  to  $4\frac{7}{8}\%$  for long bills. A week ago sixty day bills were 4 13-16@ $4\frac{7}{8}\%$  and three months' bills  $4\frac{7}{8}\%$ . Day-to-day funds at the British center remain at  $3\frac{1}{2}\%$  to  $4\%$ . A private discount rate of  $3\frac{3}{8}\%$  is reported from Berlin. Otherwise the open market rates are entirely a matter of private negotiation.

The Bank of England's return this week begins to reflect the outward movement of gold, a decrease of £954,037 having been reported in gold coin and bullion holdings. The total reserve decreased only £420,000, there having been a contraction during the week of £534,000 in note circulation. The proportion of reserve to liabilities increased to 25.11%, against 24.15% last week and 19.81% in 1914 at this date. Decreases were reported of £8,348,000 in public deposits, £1,979,000 in other deposits and £10,000,000 in Government securities. Outside securities (loans) showed the nominal increase of £124,000. The Bank's gold item stands at £67,479,221, against £47,508,429 in 1914 and £42,434,493 in 1913. The reserve is £54,138,000, against £30,736,844 one year ago. Public deposits are £129,587,000, against £24,406,348. The loan item is £145,230,000, against £116,922,759. The Bank reports as of Sept. 4 the amount of currency notes outstanding £57,747,034, against £54,001,492 the preceding week. The amount of gold held for the redemption of such notes remains at £28,500,000. Payments on the war loan up to

Sept. 8 amounted to £452,000,000. Our special correspondent furnishes the following details by cable of the gold movement into and out of the Bank for the Bank week: Inflow, £5,664,000 (of which £1,055,000 bought in the open market, £3,000,000 received from abroad, presumably from France, £450,000 released from miscellaneous accounts and £1,159,000 net received from the interior of Great Britain); outflow, £6,618,000 (of which £151,000 bars and £4,107,000 foreign gold coin sold in the open market, £2,000,000 to Japan, £315,000 earmarked Egypt, £40,000 to Malta and £5,000 to the Straits.) We add a tabular statement comparing for the last five years the different items in the Bank of England return:

	1915.	1914.	1913.	1912.	1911.
	Sept. 8.	Sept. 9.	Sept. 10.	Sept. 11.	Sept. 13.
Circulation .....	£31,790,000	£35,221,585	£29,049,255	£28,959,275	£29,381,370
Public deposits.....	129,587,000	24,406,348	9,008,592	15,513,133	9,937,873
Other deposits.....	85,942,000	130,704,462	43,554,786	47,355,484	44,318,792
Govt. securities.....	34,418,000	25,747,587	12,453,405	13,367,655	14,597,524
Other securities.....	145,230,000	116,922,759	26,522,749	36,088,331	26,382,060
Reserve notes & coin	54,138,000	30,736,844	31,835,238	31,659,826	31,539,351
Coin and bullion.....	67,479,221	47,508,429	42,434,493	42,169,101	42,470,721
Proportion of reserve to liabilities.....	25.11%	19.81%	60.54%	50.34%	58.10%
Bank rate.....	5%	5%	$4\frac{1}{4}\%$	4%	3%

The continued exchange of gold in France for Government paper is again reflected this week in the return of the Bank of France, which reports an increase of 51,087,000 francs in its gold holdings. Silver, on the other hand, decreased 2,390,000 francs. Note circulation recorded an expansion of 163,032,000 francs, general deposits a reduction of 80,334,000 francs, bills discounted a decrease of 19,530,000 francs, treasury deposits an increase of 26,496,000 francs, and the Bank's advances an increase of 2,046,000 francs. The Bank now holds 4,377,358,000 francs in gold against 4,141,350,000 francs a year ago and 3,440,550,000 francs in 1913. The silver holdings are 354,272,000 francs against 625,325,000 francs in 1914 and 631,475,000 francs the year preceding. Note circulation is again at a new high record, namely 13,221,949,000 francs, which compares with 6,683,184,785 in 1914 and 5,516,844,450 in the year preceding. General deposits are 2,418,662,000 francs, comparing with 947,571,861 francs in 1914 and 641,760,678 the year preceding. Discounts aggregate 2,369,593,000 francs against 2,454,280,425 francs in 1914 and 1,367,243,340 francs in 1913. Treasury deposits are 157,280,000 francs against 382,561,817 francs in 1914 and 261,269,681 francs in 1913. The Bank of France suspended publication of its statement last year as soon as the war began and did not resume until February 4 1915; hence no closer comparison with last year's condition than as of July 30 is available. These are the 1914 comparisons that are mentioned above.

The weekly statement of the Reichsbank shows the following increases: Gold, 3,633,000 marks (\$908,250); metal stock and paper currency, 45,079,000 marks; discounts and Treasury paper, 125,702,000 marks; securities, 1,450,000 marks; and deposits, 231,711,000 marks. Loans decreased 2,520,000 marks, and the note circulation 4,450,000 marks.

In local money circles there is little that is new. Quotations are without quotable change and may be said to represent the views of lenders, virtually all of whom are maintaining recent figures, recognizing that the demand for funds in mercantile and industrial circles is so backward that there would be no

substantial expansion in the volume of business even if rates were lower. Demand loans still remain pegged within a range of  $1\frac{3}{4}@2\%$ . A further increase in the surplus above reserve requirements of \$4,311,330 was noted in the Clearing House statement of last Saturday, bringing the total of free funds available for all legitimate loaning purposes up to the unexampled sum of \$209,110,910. This compares with a deficit (under the former style of statement) at this date last year of \$37,129,300 and a surplus of \$4,023,300 in the corresponding statement of 1913. Loans decreased \$834,000, net demand deposits increased \$4,767,000, and net time deposits increased \$274,000. Reserve in "own vaults" showed an expansion of \$13,683,000 to \$502,237,000, which includes \$427,143,000 in specie. Reserve in Federal Reserve banks decreased \$2,918,000 to \$138,440,000, and reserve in other depositories decreased \$5,197,000 to \$31,651,000, thus providing a net increase of \$5,568,000 in the aggregate reserve. We refer to the bank statement in greater detail on a subsequent page.

A third sum of substantially \$19,500,000 in gold was received in New York by way of Halifax from London early in the week, and it is understood that additional shipments are on their way. This is not calculated to strengthen the position of the market so far as the attitude of lenders is concerned. Funds are so abundant throughout the country that the usual demand of the interior upon New York for crop funds is very backward in presenting itself.

Referring to money rates in detail, demand loans, as we have already noted, have remained pegged this week at  $1\frac{3}{4}@2\%$ , these figures being the lowest and highest, respectively, each day. Monday was a holiday. On Tuesday the renewal rate was  $2\%$ , but this was reduced on Wednesday to  $1\frac{3}{4}\%$ , at which it ruled during the remainder of the week. Time money quotations were not changed for any maturity, remaining at  $2\frac{1}{2}\%$  for sixty days,  $2\frac{3}{4}\%$  for ninety days,  $3\%$  for four months and  $2\frac{1}{4}\%$  for five and six months. Commercial paper discounts are a shade easier, being quoted at  $3@3\frac{1}{2}\%$  for sixty and ninety days endorsed bills receivable and for four to six months single names of choice character, against  $3\frac{1}{4}@3\frac{3}{4}\%$  last week. The reduction is, however, in a large degree a nominal one, as we noted last week that business had been transacted in the highest class of names as low as  $3\%$ . Names not so favorably known require  $3\frac{3}{4}@4\%$ . Bankers' acceptances are quoted  $2\frac{1}{8}@2\frac{1}{2}\%$ , according to maturity. Discount rates at the Federal Reserve banks remain at last week's figures as follows:

Federal Reserve Bank—	Maturities of—				Agricultural and live stock paper over 90 days.	Trade Acceptances.	
	10 days and less.	30 days and less.	Over 30 days to 90 days, incl.	Over 60 days to 90 days, incl.		To 60 days incl.	Over 60 to 90 days incl.
Boston	3	4	4	4	5	---	---
New York	3	4	4	4	5	$3\frac{1}{2}$	$3\frac{1}{2}$
Philadelphia	3	4	4	$4\frac{1}{2}$	5	---	---
Cleveland	---	4	4	$4\frac{1}{2}$	5	---	---
Richmond	---	4	4	$4\frac{1}{2}$	5	---	---
Atlanta	---	4	4	$4\frac{1}{2}$	5	---	---
Chicago	---	4	4	$4\frac{1}{2}$	5	---	---
St. Louis	3	4	4	$4\frac{1}{2}$	5	---	---
Minneapolis	---	4	4	5	5	---	---
Kansas City	---	4	4	4	5	$3\frac{1}{2}$	$3\frac{1}{2}$
Dallas	---	4	4	$4\frac{1}{2}$	5	$3\frac{1}{2}$	4
San Francisco	3	$3\frac{1}{2}$	4	$4\frac{1}{2}$	5	3	$3\frac{1}{2}$

Authorized rate for acceptances, 2 to 4%. On March 10 the Federal Reserve Board fixed the following rates for re-discounts between Federal Reserve banks:  $3\frac{1}{2}\%$  for maturities of 30 days or less; 4% for maturities of over 30 days to 90 days, inclusive.

Conditions in sterling exchange have shown some improvement, although the situation still is a nervous one and a renewal of recent weakness was a feature of the earlier days of the week. A third shipment of British gold, amounting in this instance to \$19,466,000, and consigned to J. P. Morgan & Co., reached the Sub-Treasury on Wednesday. In addition securities valued, according to unofficial reports, at \$30,000,000, also consigned to the banking firm named, as fiscal agents for the British Government, accompanied the gold. There has been much exaggeration in the newspaper accounts of the shipment, some statements having placed the amount in excess of \$80,000,000. When the metal had been deposited, however, the bankers gave out an official announcement as follows: "There is American gold coin valued at \$7,850,000 and British sovereigns to the amount of £2,390,000, valued at approximately \$11,615,000. This makes an aggregate of \$19,466,000." No statement was made as to the volume or value of the securities. The gold in this week's shipment came by fast British cruiser to Halifax and thence by special train to New York. Australian and New Zealand gold to the amount of \$3,000,000, consigned to San Francisco banks yesterday arrived at that port on the steamer Moana, from Sydney, Australia, and Wellington, N. Z. The greater part of it was in gold coin, with some bullion. This brings the total of gold imports at San Francisco from Australian and New Zealand banks within the last 30 days to \$8,000,000. Nearly all of it has been consigned to the Anglo & London-Paris National Bank and the Canadian Bank of Commerce.

The definite news that the British commissioners who are to discuss the exchange problem with American bankers were to arrive on Friday was the chief sustaining influence of the week. It is conceded that there will be no serious obstacle to the arrangement of a credit, and that the natural influence of such an arrangement must be to restore in a substantial degree confidence in the foreign exchange market as a whole. At any rate there has apparently been a greater disposition to do business this week by bankers who heretofore have been inclined to delay routine purchases of bills. The weekly statement of the country's imports and exports for the week ending Sept. 4, as reported by the Department of Commerce, showed an excess of exports of \$27,616,721, comparing with \$33,269,039 the week preceding. There seems every expectation in sterling exchange circles that the export movement will increase very rapidly during the closing months of the year and that slight if any improvement may be looked for in imports. We have referred to the arrival of the British and French financial commissions in a preceding paragraph.

Compared with Friday of last week, sterling exchange on Saturday was firm and advanced to  $4\ 66\frac{1}{2}@4\ 67$  for demand,  $4\ 67\frac{1}{2}@4\ 68$  for cable transfers and  $4\ 63@4\ 64$  for sixty days. Monday was a holiday. On Tuesday the firm tone which ruled at last week's close, was replaced by distinct weakness and sterling rates again broke sharply as a consequence of the heavy pressure of commercial bills—principally cotton and grain—in accumulation over the week-end and an absence of buying power; demand bills dropped  $3\frac{1}{2}c.$  to  $4\ 63$ , with the high  $4\ 66$  and cable transfers ranged be-

tween 4 64 and 4 67; sixty days was nominally quoted at 4 59@4 60. Renewed weakness was recorded in the initial transactions on Wednesday, with a further decline of 1c. in the pound; later, however, the market steadied and the losses were recovered; the range of quotations was 4 62¼@4 64½ for demand, 4 63 1-16@4 65¼ for cable transfers and 4 61@4 62 for sixty days. On Thursday a perceptible decrease in the volume of offerings, pending the outcome of the conference to be held in this city between the British and French Commission and prominent American banking interests, caused marked firmness, and rates advanced sharply; demand bills were quoted at 4 65¼@4 67, cable transfers at 4 66¼@4 68 and sixty days at 4 63@4 65. On Friday the market ruled strong. The day's quotations were 4 66@4 67 for sixty days, closing 4 67; 4 67@4 69½ for demand, closing 4 69¼, and 4 68@4 70½ for cable transfers, closing 4 70¼. Commercial on banks nominal, documents for payment nominal. Seven-day grain bills at 4 67@4 68, closing 4 68. Cotton for payment nominal; grain for payment nominal.

The Continental exchanges have sympathized with sterling. The London check rate in Paris closed at 27.92, against 27.65½ francs a week ago. In New York, Paris checks closed at 5.94 and cable transfers at 5.93, against 5.95 and 5.94 respectively. Exchange on Berlin has been stimulated by the demand for remittance representing subscriptions in this country to the new German war loan and also on account of the release of goods by Great Britain from Rotterdam. Demand rates on the German center closed at 82½, against 80¾ a week ago and cable transfers at 82½, against 80¾. Swiss exchange finished at 5 32 and 5 31 for sight and cables, respectively, against 5 34 and 5 33 a week ago. Italian liras are 6 42 and 6 41 for sight and cables, against 6 43 and 6 42. Bankers' checks on Amsterdam are 40⅛ and cables 40¼, against 39⅞ and 39 15-16. Greek exchange remains at last week's figures of 5 27 for checks and 5 26 for cables. Copenhagen checks are 25 80 against 25 90 a week ago, and exchange on Norway and Sweden is 25 85 for checks, against 25 95. Russian rubles continue at 34½.

The New York Clearing-House banks, in their operations with interior banking institutions, have gained \$3,785,000 net in cash as a result of the currency movements for the week ending Sept. 10. Their receipts from the interior have aggregated \$8,132,000, while the shipments have reached \$4,347,000. Adding the Sub-Treasury operations and the gold imports, which together occasioned a gain of \$19,038,000, the combined result of the flow of money into and out of the New York banks for the week appears to have been a gain of \$22,823,000, as follows:

Week ending Sept. 10.	Into Banks.	Out of Banks.	Net Change in Bank Holdings.
Banks' interior movement.....	\$8,132,000	\$4,347,000	Gain \$3,785,000
Sub Treas. oper. and gold imports...	41,538,000	22,500,000	Gain 19,038,000
Total .....	\$49,670,000	\$26,847,000	Gain \$22,823,000

The following table indicates the amount of bullion in the principal European banks:

Banks of	Sept. 9 1915.			Sept. 10 1914.		
	Gold.	Silver.	Total.	Gold.	Silver.	Total.
England...	£ 67,479,221	£ 67,479,221	£ 134,958,442	£ 67,479,221	£ 67,479,221	£ 134,958,442
France...	175,097,640	14,573,040	189,670,680	165,653,680	25,013,280	190,666,960
Germany...	120,416,500	2,300,000	122,716,500	79,007,400	1,987,000	80,994,400
Russia...	165,381,000	4,093,000	169,474,000	172,323,000	6,042,000	178,365,000
Aus.-Hunc...	51,578,000	12,140,000	63,718,000	51,578,000	12,140,000	63,718,000
Spain...	28,031,000	29,530,000	57,561,000	21,814,000	27,463,000	49,277,000
Italy...	45,811,000	4,670,000	50,481,000	45,456,000	3,000,000	48,456,000
Netherl'ds...	31,536,000	193,500	31,729,500	13,512,000	754,900	14,266,900
Nat. Belg...	15,380,000	600,000	15,980,000	10,653,000	636,000	11,289,000
Switz'land...	9,630,500	-----	9,630,500	8,601,200	-----	8,601,200
Sweden...	6,299,000	-----	6,299,000	5,727,000	-----	5,727,000
Denmark...	5,946,000	309,000	6,255,000	3,880,000	270,000	4,150,000
Norway...	3,434,000	-----	3,434,000	3,163,000	-----	3,163,000
Tot. week	726,919,861	68,408,540	795,328,401	628,876,709	77,306,180	706,182,889
Prev. week	727,469,218	69,756,140	797,225,358	627,242,942	81,346,330	708,589,272

c July 30 1914 in both years. h Data in 1915 for Sept. 21 1914. \* July 30 1914.

## GERMANY, AUSTRIA AND OUR GOVERNMENT.

The United States Government has achieved a highly honorable distinction for the dignity and correctness of its diplomacy in the present war. At times there may have existed a temporary difference of opinion among American citizens, as to whether the State Department was not too patient in dealing with the German submarine outrages. The Government inevitably encountered criticism for prolonging the discussion in a tone of high courtesy, when the Berlin Foreign Office seemed to most people to be endeavoring to obscure or evade the real issue. But at no time has the tone of firmness in stating and restating our nation's irreducible demands been relaxed, and when, two weeks ago, the German Government, through its Ambassador at Washington, completely surrendered its original position, and agreed to abandon attacks without notice on peaceable ocean liners, the whole policy of our State Department was so publicly and notably vindicated that even such captious critics as Mr. Roosevelt were silenced.

The repute thus gained for high-minded and firm, yet dignified and self-contained diplomacy, serves our Government well in connection with two episodes of the present week. We refer, first, to the Hesperian incident and the German Government's subsequent announcement that the Arabic was torpedoed because the captain of the submarine imagined the liner to be about to attack his vessel; second, to the incident of the Austrian Ambassador, Dr. Constantin Dumba. The matter of the submarines, so far as it has been affected by these more recent incidents, may be dismissed in a few words. The facts regarding the Hesperian, which was sunk southwest of Fastnet last Saturday evening while sailing westward, are not yet clear. It is still possible that the steamer was not torpedoed by a submarine, but that she struck a mine. At all events, the submarine was evidently not, as in the case of the Arabic, distinctly seen from the passenger ship. These facts must be left for investigation to settle.

But the German Government's answer regarding the Arabic, communicated on Wednesday to Ambassador Gerard, to the effect that the submarine commander, seeing the Arabic change its course, feared an attack and therefore fired in self-defense, is not admissible. Ambassador Bernstorff's assurance, in his note of Sept. 1 to our State Department, that "liners will not be sunk by our submarines without warning and without safety of the lives of non-combatants, provided that the liners do not try to escape and offer resistance," seemed at the time to be adequate. But clearly, in the light of this Arabic incident, judgment as to such purposes on the liner's part cannot be left to the impulses of timid, rash or unscrupulous submarine commanders. Otherwise, the excuse offered for destroying the Arabic without notice could easily be applied in any future case, even when the facts were wholly otherwise, and when the submarine commander's allegation was denied by officers and passengers of the ship attacked.

To leave the matter in such position would wholly nullify the practical effect of the Bernstorff assurance. It therefore becomes plain that far more definite assurances are necessary. If satisfaction of the United States were necessarily to involve the outright abandonment of the submarine campaign,

then that, too, from our point of view, must follow. The whole neutral public is becoming weary of Germany's assertion of privileges wholly unauthorized by international law, and of the right to indulge in practices condemned by common humanity and international decency as well as by the law of nations.

The case of Dr. Dumba is different, but much more aggravated. It has long been intimated that efforts were being made, in behalf of the German interests, to interfere with the output of American munition factories through provoking strikes. This has been lately proved by documents purloined from semi-official German agents at New York, published in the newspapers and not repudiated by their authors. In that case the activities could be ascribed to purely private motives. But that disclosure has now been followed by the arrest, with documents highly incriminating to the Austrian Embassy, on a Dutch steamer which had landed at a European port, of an American citizen with known German sympathies. This person, a journalist named James F. J. Archibald, was on his way to Berlin and Vienna.

The seizure of his papers developed the fact that he carried a confidential letter from the Austrian Ambassador at Washington to the Austrian Minister of Foreign Affairs at Vienna proposing that the Austrian Government provide the necessary money to disorganize and cripple the American munitions factories. A letter enclosed with that communication outlined a plan "to arrange for strikes in the Bethlehem Schwab steel and munitions factory, and also in the Middle West." In his own letter Dr. Dumba declares:

"It is my impression that we can disorganize and hold up for months, if not entirely prevent, the manufacture of munitions in Bethlehem and the Middle West, which, in the opinion of the German Military Attache, is of great importance and amply outweighs the expenditure of money involved."

After some reference to plans in behalf of Austro-Hungarian workmen who were induced to give up their work at the mills, the Dumba letter concludes by saying that "Mr. Archibald, who is well known to your Lordship, leaves to-day at 12 o'clock on board the Rotterdam for Berlin and Vienna. I take this rare and safe opportunity to warmly recommend the proposal to your Lordship's favorable consideration."

The offense against our Government and people thus disclosed was very grave—certainly not less so when committed by an envoy from the most punctilious court in Europe, and certainly not alleviated by the intimation that the Austrian Government had approved the general policy suggested. What we have in this acknowledged letter from the Ambassador is conclusive evidence of intrigue and conspiracy, by the envoy of a foreign State, to upset American industries; that proposal having been made at the very moment when our own Government, in a formal note to this very Ambassador, had asserted that pursuance of the industries referred to was wholly proper, both under domestic and international law. American newspaper comment on the matter has recalled the dismissal of Sackville-West by the Cleveland Administration in 1888 for expressing opinions regarding the Presidential campaign of that year in a letter to a naturalized English citizen. With that incident we can see little analogy, except such as indicates the far greater gravity of Dr.

Dumba's offense. We know in fact of no analogy short of Genet's attempt, when Ambassador from France in the Washington Administration, to defy our Government by recruiting in this country for the French army, by using American ports at will as temporary refuge for warships and prizes, and by criticizing in public speeches the actions of our Government.

Washington's towering indignation and the disgrace of Genet at the insistent demand of our Government make up a well remembered episode in our early history. In principle the action of Dr. Dumba can hardly be differentiated from this, except that what Genet did publicly the Austrian Ambassador endeavored to do secretly. It is difficult to see how any different action could have been expected from our Government on this later occasion. It was therefore with no surprise that our people, yesterday morning, read the note of the Secretary of State to the Austrian Foreign Minister at Vienna, with this plain and dignified statement of the case:

"By reason of the admitted purpose and intent of Mr. Dumba to conspire to cripple legitimate industries of the people of the United States and to interrupt their legitimate trade, and by reason of the flagrant violation of diplomatic propriety in employing an American citizen protected by an American passport as a secret bearer of official dispatches through the lines of the enemy of Austria-Hungary, the President directs me to inform your Excellency that Mr. Dumba is no longer acceptable to the Government of the United States as the Ambassador of his Imperial Majesty at Washington."

There can, we suppose, be no question as to the acquiescence, without protest, of the Austrian Government. Indeed, quite apart from Dr. Dumba's gross violation of diplomatic proprieties, we should have supposed that the Austrian Government would itself have seen the necessity of recalling an Ambassador whose service in his present position has so obviously ended, and whose service to his own State has surely not been enhanced by so extraordinary a performance as sending an uncoded letter, on a subject where secrecy was of vital importance, through the medium of an obscure citizen who had been asked to carry the dispatch—much as a suburban resident might request his neighbor to drop a letter in the city post-box. It is, we repeat, extremely fortunate that our Government has established indisputably its reputation for dignity and fairness in international diplomacy. This places it in the position to put an end at once to this intolerable policy of foreign diplomats, enjoying our hospitality under well recognized restrictions of international comity, engaging in underhand plots and intrigue against American interests.

#### MR. TAFT ON THE QUESTIONS OF THE DAY.

Speaking to the bankers assembled at Seattle, Mr. Taft said that railroads employ millions of men, millions own their stocks, their needs constitute a substantial part of the demand for manufactured goods, and their prosperity is important to the prosperity of the country; therefore, "we must grant increased rates to the railroads when the conditions require it, and grant them quickly." This is literally and strictly true, notwithstanding it has been said so many times and with so little general effect apparent yet, and we are tempted to wonder whether Mr. Taft, while saying it, remembered (and, if he did remember, regretted) the share he himself had,

while President, in bringing the Inter-State Commerce Commission to its increased and excessive control of the subject, a control so stolidly exercised only in one direction.

But when he came to some other topics, Mr. Taft could not possibly have had any regretful recollections of his own course. In calling attention anew to the aggressiveness of organized labor, now determinedly and far too successfully seeking to make itself a privileged class and above the law, in a country whose very first political doctrine is that no privilege is allowed here and all classes and all interests must acknowledge the supremacy of law, Mr. Taft may justly have congratulated himself silently upon his veto of the exemption rider tacked into an appropriation bill; his successor was unable to pluck up courage to veto the same vicious thing, and Mr. Taft deserves full credit, although the very fact that such an exercise of courage is worth noting suggests how morally flabby our politics has gradually become. Mr. Taft's suggestion that "to those who are injured by the abuse of their power by trades unions ordinary principles of law offer remedies which are probably sufficient" is interesting, but thus far those principles of justice imbedded and expressed in the common law have not quite proved so; not even the slowly and laboriously reached present position of the Danbury hatters case availed to protect the Loewe firm from injury. The law maxim that where there is an injury there is also a remedy, is like other good maxims in being unable to make itself effectual in all cases.

Mr. Taft renders a public service, however, in adding the weight of his deserved reputation, as often as possible, to enforce the necessity of grappling with and rightly settling the irrepressible conflict between privilege and law, in the form the unions are determined to have it presented. He spoke wisely also, at Seattle, as he has done on other occasions in the last two years, in condemning the current attack upon representative government. It is asserted, he said, that the elective system as we have had it has often set faithless agents at legislative work and the proper remedy is to eliminate the agents and let the people themselves do the legislating. This cry has produced the initiative and the referendum, which Mr. Taft says are clearly shown by their workings to be failures. No intelligent thinker could have expected otherwise, for if the people lack the sense and the independence and the determination to select competent agents to do their work, the same lack will beset any other mode they may attempt for doing their own business; or, if it is the adroitness and energy of the machine bosses which defeats the people under the old plan, it is quite certain that those bosses will not give up their game readily and will adapt their own methods to any change of scheme.

Mr. Taft, however, as is natural for a jurist, deems the recall of judicial decisions and of judges themselves to be still worse. He perceives that such a scheme would not bring to the bench the ablest men; that subservience and time-serving would tend to displace independence, and that one of our most precious safeguards, a judiciary as near impeccable and incorruptible as human nature allows, would be put in peril.

The direct primary, another fad which is caught up because it makes the flattering suggestion that thus the People will come into their rights and be

able to do their own business without hindrance by "interests" and bosses, is also condemned by Mr. Taft. He declares it not true (and all observant and thinking people must agree with him) "that the general primary is any less subject to the control of a machine and the boss and a political organization than a convention." Primaries, he says, are usually attended by a minority of the party, and their result "is much affected by the number who can be aroused to come out to vote, and that depends upon organization; this places in the hands of the politicians who have an organization the means of control" Is not this almost self-evident? Is anybody so fatuously enthusiastic over a novelty as to imagine that the men who have made practical politics their business are going to give it up without trying to alter their methods to fit the new conditions, and thus keep control, although they would very willingly let the dear people suppose they are beaten and have retired?

In this country, proceeded Mr. Taft, we have done so marvellously with machinery in reducing the hand labor needed and the total cost of production that "we cannot get over the idea that political evils can be remedied by a change in political machinery." This is a serious error; no mere change in forms will accomplish any real and lasting improvement; the change must go deeper than that. The old representative system, says Mr. Taft, (and we might add the simple remark that anything except a representative scheme of some sort is positively unworkable) will do very well "if the people who ought to vote will turn out, and it will work, for the reasons I have stated, a great deal better than the initiative and referendum and direct primary; but we should realize that, under any system, the politicians will control if the people fail in their electoral duties."

#### THE GRAIN-CROP SITUATION.

The grain-crop report of the Department of Agriculture for Sept. 1, issued on Wednesday, was in practically all respects a satisfactory document, indicating as it did an even more bountiful supply of our leading cereal products than had been foreshadowed a month earlier, and an aggregate yield of all varieties moderately in excess of the high-water mark set in 1912. The unfavorable features of the current situation, in fact, seem to have been confined to continued wet weather in portions of the winter-wheat belt, causing delay in threshing and resulting in damage to the quality of the grain; and the lateness of corn in maturing, which makes the possibility of extensive injury from frost in more northerly districts a more important question than usual. As the Department of Agriculture interprets the Sept. 1 returns, they promise a yield of corn some 67 million bushels above the expectations of Aug. 1, over 300 million bushels greater than a year ago, and 140 million bushels less than the record crop of 1912. Improvement in the condition of spring wheat during August apparently added about 15 million bushels to the anticipated yield, making the outlook now for a production only nominally less than the bumper crop of 1912. Furthermore, the new supply of wheat (winter and spring combined) for the year will, according to current indications, very closely approximate, if not exceed, 1,000 million bushels, thus establishing a new high record and leaving available for

export between 300 and 400 million bushels. Oats deteriorated but slightly during the month, and the outcome of the harvest, it is now estimated, will be 6 million bushels greater than the prognostication of Aug. 1, and very close to, if not in excess of, three years ago. The barley outlook, too, is better than on Aug. 1, and the promise is for a larger production than ever before. These four cereals, the Department now estimates, will give a combined production in 1915 of 5,797 million bushels, or 786 million bushels more than the final result for 1914, and an even 100 million bushels in excess of the high total established in 1912.

Corn suffered very moderate deterioration in August from adverse weather. In some of the larger producing States, such as Missouri, Nebraska, Kansas and Oklahoma, improvement is noted. On the other hand, in Iowa condition dropped from 72 on Aug. 1 to 65 on Sept. 1, in Illinois from 83 to 78, and in Texas from 82 to 80, but in all of these, except Iowa, the status this year is much better than on Sept. 1 1914, this being particularly true of Texas, where a large decrease in the crop was recorded last year. The general condition of corn in the United States on Sept. 1 is stated by the Department of Agriculture at 78.8 against 79.5 a month earlier, 71.7 a year ago and a ten-year mean of 78.1. On the basis of the average condition percentage, an approximate yield of 27.3 bushels per acre is arrived at, which indicates an aggregate crop of 2,985,000,000 bushels, or about 312 million bushels more than harvested last year, but, as stated above, 140 million bushels less than the record crop of 1912. The crop, however, being late in maturing, harvesting is not as well advanced as usual.

The average condition of spring wheat on Sept. 1 is announced as 94.6, or 1.2 points higher than on Aug. 1, and the weather latterly has favored the maturing and harvesting of the grain. The condition as given above compares with 68 at time of harvest last year, 75.3 in 1913, and a ten-year average of 76.8. As worked out by the Department, an average yield of 16.8 bushels per acre is indicated, or a total product of 322 million bushels, which contrasts with 206 millions last year and 330 millions in 1912. Combining the foreshadowed spring-wheat yield with the official tentative winter-wheat estimate of 659,000,000 bushels, we have an aggregate of 981,000,000 bushels for 1915, which is the largest production of the cereal in our history, showing an increase of 90 million bushels over 1914, and, as already intimated, assures a very large surplus for export.

Oats stood a little lower in condition on Sept. 1 than a month earlier, but very much above a year ago. The condition when harvested is placed at 91.1 against 91.6 Aug. 1 this year and 75.8 Sept. 1 1914, with the ten-year average 78.1. It is evident, therefore, that this crop also is expected to give a product per acre well above most recent years. This is substantiated by the fact that the Department calculates the yield per acre as 35 bushels, against an average of 30.6 bushels for the previous five years, and arrives at an aggregate production of 1,408,000,000 bushels, as compared with 1,141 million bushels last year and 1,418 millions in 1912—our premier oats crop. The estimated yield of barley at 223 million bushels is 15 million bushels greater than the approximation of a month ago, and exhibits a gain of 28 million bushels over a year ago. Rye pro-

duction, it is expected, will exceed by a little the previous record set; buckwheat promises an aggregate something more than a million bushels greater than in 1914, and rice an increase of about 2 1-3 million bushels.

Not only is the grain crop situation very encouraging in the United States this year, but late reports voice expectations of bumper yields across the border in Canada. An increased planting of all the leading cereals has heretofore been noted—especially of wheat—and now it appears that of this specifically named cereal a yield of 240,000,000 bushels is confidently looked for, a total the greatest in the history of the Dominion and very much in excess of last year. Most recent advices, moreover, denote that in the Northwest harvesting has been largely completed and threshing is getting under way.

#### RAILROAD GROSS AND NET EARNINGS FOR JULY.

There are no new features in the returns of railroad gross and net earnings. The latter continue to make better comparisons than do the gross, this being a reflection of the policy pursued with reference to expenses in the management of our rail transportation lines. For some time it has been the practice to cut the expense accounts in all directions so as to avoid further dwindling of the net results at a time when railroad credit is already in greater or smaller measure impaired because in recent years net results have not been growing commensurate with requirements. The compilations we present to-day cover the month of July and the comparisons are precisely like those for the months immediately preceding in showing substantial improvement in the net due to the circumstance just mentioned, that is, the decrease in expenses.

There is just one satisfactory fact to be noted, and that is a tendency towards betterment of the comparisons as to the gross. It is the totals of the gross that need watching for genuine signs of improvement, since the showing as to the net is so largely a matter of policy and controlled by the course being pursued with reference to the expenses.

The tendency of the gross to improve may later on develop into something of importance; as yet it is only in the initial stages. For July the increase is no more than \$2,324,115, which is less than 1%, since we are dealing with large totals, the aggregate of the gross last year having been \$260,624,000 and the present year being \$262,948,115. Even this small increase is deprived of much of its significance through the fact that comparison is with reduced totals the previous year. It is encouraging, however, that decreases are now being replaced with increases, so that, apparently, the period of contracting revenues has come to an end. Combined with the gain (or recovery) in the gross, there has been a reduction of \$7,527,125 in expenses, thus producing a gain of \$9,851,240 in the net, or 12.66%.

July (423 roads)—	1915.	1914.	Inc. (+) or Dec. (—).	
			Amount.	%
Miles of road.....	243,042	241,796	+1,246	0.51
Gross earnings.....	\$262,948,115	\$260,624,000	+\$2,324,115	0.89
Operating expenses.....	175,263,130	182,790,255	—7,527,125	4.12
Net earnings.....	\$87,684,985	\$77,833,745	+\$9,851,240	12.66

We have stated that comparison is with reduced totals in 1914. That is true of both the gross and the net, our compilations for July last year having shown \$9,571,763 loss in gross, or 3.67%, and \$998,911 loss

in net, or 1.31%. It deserves also to be noted that the 1914 loss in net came after a loss in the same month of 1913. In the gross in 1913 there was a moderate amount of gain, namely \$12,036,238, or 5.38%, but it was attended by an augmentation in expenses of \$15,302,025, or 9.79%, leaving, therefore, a loss in net of \$3,265,787, or 4.83%. As a matter of fact, up to last year expenses had for a long period shown a most pronounced tendency to rise. In July 1912 there was substantial improvement in both gross and net, but while the addition to gross was \$23,007,660, the gain in net was no more than \$8,890,588. In July 1911 the changes were relatively slight, there being a loss in gross then of \$1,555,652, or less than 1%, with a trifling gain in net, namely \$31,411. In July 1910 the rising course of expenses was decidedly in evidence, the figures registering \$12,812,422 increase in gross but \$4,485,758 decrease in net. In July 1909 the statement was favorable, there having been \$24,719,084 gain in gross and \$11,083,420 gain in net. But the additions then were deprived of much of their significance by the fact that they succeeded tremendous losses in July 1908, when, according to the figures prepared by the Inter-State Commerce Commission, there was a shrinkage of no less than \$33,426,116 in gross and of \$8,485,484 in net. In the following we furnish the July comparisons back to 1897. For 1910, 1909 and 1908 we use the Inter-State Commerce totals, but for preceding years we give the results just as registered by our own tables each year—a portion of the railroad mileage of the country being always unrepresented in the totals, owing to the refusal of some of the roads in those days to furnish monthly figures for publication.

Year.	Gross Earnings.			Net Earnings.		
	Year Given.	Year Preceding.	Increase (+) or Dec. (—).	Year Given.	Year Preceding.	Increase (+) or Dec. (—).
July.	\$	\$	\$	\$	\$	\$
1896	51,132,768	50,890,523	+242,245	15,556,978	15,496,273	+60,705
1897	58,183,393	54,228,118	+3,955,275	16,061,236	16,530,293	+2,569,943
1898	63,172,974	62,339,710	+833,264	19,971,051	20,694,375	—723,324
1899	72,204,314	61,434,246	+10,770,068	24,377,447	19,672,510	+4,704,937
1900	83,343,882	77,671,358	+5,672,524	26,687,209	25,989,927	+697,282
1901	99,334,538	86,920,806	+12,413,732	34,925,716	27,680,869	+7,244,847
1902	102,960,249	97,691,960	+5,268,289	33,634,610	33,824,597	—189,987
1903	115,691,747	97,856,175	+17,835,572	38,296,851	31,846,698	+6,450,153
1904	106,955,490	113,678,564	—6,723,074	34,398,740	37,353,409	—2,954,669
1905	118,404,552	107,325,222	+11,079,330	43,594,553	40,256,131	+3,338,422
1906	129,386,440	114,556,367	+14,830,073	42,808,250	36,718,416	+6,089,834
1907	137,212,522	118,666,092	+18,546,430	41,891,837	39,448,771	+2,443,066
1908	195,246,134	228,672,250	—33,426,116	67,194,321	75,679,805	—8,485,484
1909	219,964,739	195,245,655	+24,719,084	78,350,772	67,267,352	+11,083,420
1910	230,615,776	217,803,354	+12,812,422	73,157,547	77,643,305	—4,485,758
1911	224,751,083	226,306,735	—1,555,652	72,423,469	72,392,058	+31,411
1912	245,595,532	222,587,872	+23,007,660	79,427,565	70,536,977	+8,890,588
1913	235,849,764	223,813,526	+12,036,238	64,354,370	67,620,157	—3,265,787
1914	252,231,248	261,803,011	—9,571,763	75,359,466	76,358,377	—998,911
1915	262,948,115	260,624,000	+2,324,115	87,684,985	77,833,745	+9,851,240

Note.—In 1896 the number of roads included for the month to July was 130; in 1897, 127; in 1898, 123; in 1899, 114; in 1900, 117; in 1901, 108; in 1902, 103; in 1903, 106; in 1904, 98; in 1905, 94; in 1906, 90; in 1907, 82; in 1908 the returns were based on 231,836 miles of road; in 1909, 234,500; in 1910, 238,169; in 1911, 230,076; in 1912, 230,712; in 1913, 206,084; in 1914, 235,407; in 1915, 243,042. We no longer include the Mexican roads or the coal-mining operations of the anthracite coal roads in our totals.

As far as the separate roads are concerned, there are a few instances of substantial improvement in gross, but these are not nearly so noteworthy as the increases in the net caused by reductions in expenses and in both the gross and the net there are not lacking a considerable number of decreases, some of large size. Both the two important Eastern trunk lines, namely the Pennsylvania and the New York Central, give a good account of themselves. The Pennsylvania on the lines directly operated east and west of Pittsburgh has added \$1,042,563 to gross and has increased this to \$1,630,826 in the net by a curtailment of expense outlays. In July last year the Pennsylvania lines fell \$1,808,129 behind in gross and \$313,990 behind in net. The New York Cen-

tral this time has \$898,094 increase in gross and \$1,526,550 in net. This is for the Central proper as recently enlarged. Including the various auxiliary and controlled roads, the whole going to form the New York Central System, the result is a gain of \$1,364,693 in gross and of \$2,108,426 in net. Last year, in July, the result for the New York Central System was a loss of \$2,341,849 in gross and a gain of \$632,922 in net, this contrasting with \$2,348,994 increase in gross and \$841,025 decrease in net, in July of the year preceding (1913). The New York New Haven & Hartford for July 1915 has added \$492,025 to gross and \$557,045 to net, while the Boston & Maine lost \$142,856 in gross but added \$409,383 to net; the Erie adds \$253,548 to gross and \$738,600 to net, the decrease in expenses here following in a measure from a change in the time of year of doing certain renewal work; the Baltimore & Ohio has added \$524,064 to gross and \$804,891 to net.

In the West results are somewhat uneven, but with the same characteristic observable here as elsewhere, in one particular at least—that is in the matter of keeping expenses well in hand. The Southern Pacific has an exceptionally favorable statement by reason of the extra passenger traffic that has come from the Panama-Pacific Exposition at San Francisco; the company reports \$1,222,013 increase in gross and \$1,298,453 increase in net. The Atchison has added \$813,099 to gross and \$501,814 to net and the Union Pacific \$287,629 to gross and \$184,859 to net. For the Northern transcontinental lines the showing is quite different, and the same is true of some of the Southwestern lines like the Rock Island, which reports a loss of \$369,272 in gross and of \$312,813 in net. The Great Northern has lost \$982,322 in gross and \$544,784 in net, and the Northern Pacific \$442,279 in gross and \$261,487 in net, while the Burlington & Quincy has suffered \$487,448 decrease in gross and \$438,031 in net, and the Chicago & North Western \$250,930 in gross and \$364,879 in net. The Milwaukee & St. Paul, on the other hand, has added \$394,295 to gross and \$479,889 to net. The Illinois Central falls behind \$517,296 in gross and \$179,533 in net.

What the great revival in the iron and steel trade is doing for the ore-carrying roads is evident from the return of the Duluth Missabe & Northern, showing \$588,909 improvement in gross and \$506,789 improvement in net. The same road the previous year suffered a reduction of \$423,776 in gross and of \$318,654 in net.

Those two important Southern coal-carrying roads, namely the Chesapeake & Ohio and the Norfolk & Western, have strikingly good exhibits, the former having added \$378,479 to gross and \$322,584 to net, and the Norfolk & Western \$717,609 to gross and \$621,710 to net. The distinctive Southern railway systems have all lost substantial amounts in the gross but make a somewhat better comparison as to the net. Thus the Southern Railway suffered a decrease of \$493,484 in gross, but has converted this into an increase of \$153,036 in net, and similarly the Louisville & Nashville has \$317,800 decrease in gross with \$114,211 increase in net. The Atlantic Coast Line falls \$360,753 behind in gross but only \$76,838 in net. In the following we show all changes for the separate roads for amounts in excess of \$100,000, whether increases or decreases, and in both gross and net.



regulation of their domestic affairs. That there has been a strong tendency in the other direction of late years, an assumption of the part of "social workers" that they knew what was better for the average man and his family than he could know himself, is evident on every side. That some of these movements, such as "workingmen's compensation", or "tenement house supervision" have been helpful and beneficial as well as necessary there is no doubt; but in all such cases the only efficient activities have been under general laws, based on the slow working out of experience and experiments; and adapted to the character of our people and the institutions of our country.

Many others which are being attempted, especially in the so-called progressive communities of the West, have been absolute failures, or are gradually proving themselves worse than useless, and unnecessary burdens on the tax payer.

The well meaning Homestead Commission of Massachusetts makes a serious error in failing to recognize the fundamental difference between American and foreign habits of thought; ours being founded on the pioneer spirit, the self-reliance of our native population, and the pride which every man feels in being able to improve his own condition, and rise out of and above the "class" in which he may find himself.

The "industrial unrest" which our Federal Commission has been investigating and endeavoring to alleviate is really one of our greatest national assets. To do away with it, and to create a "working class" would be a most disastrous accomplishment. The writer lives in a moderate sized community and among other activities there are probably twenty-five employers in the building line, boss carpenters, masons, and others, and as many more house painters, decorators and other employers of labor.

It is probable that far the larger number of these began as journeymen, or perhaps as mere day laborers, but they have not remained in their "class", and their example is a constant incentive to those in their employ to become their own proprietors, or to engage in some enterprise on their own account. This is a perfect example of what is going on all over the country. Another may be found in New York City, where the four or five thousand firms engaged in the garment manufacturing industry are in almost all cases composed of men of comparatively recent immigration, and whose transit from employee to employer has been astonishingly rapid and successful.

To attempt to counteract this spirit, and this natural movement induced by the atmosphere of freedom in which we dwell; to confine it in fixed lines by the regulations of those assuming superior wisdom, must necessarily end in failure; and it should be the pride and glory of our people that this is bound to be the result.

Respectfully,

JOSEPH D. HOLMES.

#### PLAN OF SECRETARY McADOO AND RESERVE BOARD FOR AIDING COTTON MOVEMENT.

Several statements bearing on the Government's plan for assisting in the financing of the cotton crop, as embodied in the proposed deposit of \$30,000,000 in gold in the Federal Reserve banks for the rediscount of loans on cotton, were issued on the 3d inst. One of these, emanating from Secretary of the Treasury McAdoo, made known the intention to immediately deposit \$5,000,000 in each of the three Federal Reserve banks in the South. At the same time the Federal Reserve Board announced that it had adopted regulations authorizing the Federal Reserve banks to give special rates for the rediscount of "commodity paper," which is defined to cover notes secured by warehouse receipts based on cotton. It is proposed to charge member banks 3% for rediscounting such paper, provided the member banks do not charge the makers of the notes a rate in excess of 6%, including all commissions and expenses. In his statement Secretary McAdoo says that the South this year "is the only section of the country where Government deposits would appear to be helpful, but if it should develop that crop deposits are needed in any other section of the country the Treasury Department will be just as ready to extend assistance within the limits of its available resources to other sections of the country as it has been to the South." The following is Mr. McAdoo's statement in full:

After a conference with my colleagues in the Federal Reserve Board I have concluded that the best plan for extending aid to the cotton producers of the South is to deposit the \$30,000,000 in gold, concerning which I made an announcement a short time ago, in three Federal Reserve banks, located

at Richmond, Atlanta and Dallas, instead of the member banks of the Federal Reserve system.

Five million dollars will be deposited immediately in each of these banks, making a total initial deposit of \$15,000,000. The Federal Reserve banks have the organization, the knowledge of local conditions and the powers under the Federal Reserve Act and the regulations of the Federal Reserve Board through which the proposed aid may be most effectively rendered.

To-day the Board adopted regulations concerning "commodity paper." Under these regulations all national banks and State banks, which are members of the Federal Reserve system, which may lend money to farmers or others on notes secured by cotton properly warehoused and insured, at a rate of interest, including commissions, not exceeding 6% per annum, may rediscount such notes with the Federal Reserve bank of their district.

To illustrate how the proposed relief is available to the cotton producers, the following is given as an example: A borrower asks his local bank for a loan on his note, secured by warehouse receipts from cotton. If the bank is informed that the cotton is in a responsible warehouse, properly insured and that the note is good, it may make the loan. If the local bank charges the borrower a rate of interest, including commissions, not exceeding 6% per annum, it may indorse the note over to the Federal Reserve bank of its district and the Federal Reserve bank may advance to the local bank the full amount of the loan. The rate of interest which the Federal Reserve bank will charge the local bank will be sufficiently low, say 3%, to enable the local bank to make loans at a rate of interest not exceeding 6% per annum and have a liberal margin of profit on such transaction.

It must not be inferred that the regulations adopted by the Federal Reserve Board concerning commodity loans apply only to cotton. These regulations apply to all non-perishable and staple commodities in all parts of the country and, like credit facilities are available to producers in all parts of the country.

The deposit of Government funds in the South to aid in moving the cotton crop is simply carrying out the policy adopted by the Treasury Department in 1913 when the first crop-moving deposits were made. In 1913 and 1914 Government deposits were made to assist in moving the grain crops in the West and Northwest as well as the cotton crop in the South. This year the South is the only section of the country where Government deposits would appear to be helpful, but if it should develop that crop deposits are needed in any other section of the country the Treasury Department will be just as ready to extend assistance within the limit of its available resources to other sections of the country as it has been to the South.

The statement issued by the Federal Reserve Board coincident with the above, is as follows:

The Federal Reserve Board has adopted regulations authorizing Federal Reserve banks to give special rates for rediscount on commodity paper—that is, promissory notes having not more than ninety days to run, which are specifically secured by warehouse receipts for staple and readily marketable commodities of a non-perishable character, properly insured.

It is believed that preferential rates on this class of paper will be of especial service at this time in aiding in the gradual and orderly marketing of the cotton and other crops. In order that producers may be directly benefited by the low rates authorized, the Board has made it a condition that paper offered by member banks for rediscount at the preferential rate shall be paper on which the makers have paid or have contracted to pay in the way of interest or discount, including commissions, a rate of not exceeding 6% per annum.

The Secretary of the Treasury has announced his intention of making deposits in the Federal Reserve banks which are located in the cotton-growing sections, in order that they may have enlarged resources to assist the crop situation. The rediscount facilities offered by Federal Reserve banks in other districts are ample to provide any additional funds that may be needed.

While it is gratifying to note that a large number of member banks throughout the Southern States have announced their intentions of making loans on cotton at rates not to exceed 6% interest, yet there are many banks which hesitate to make any material reduction in the rates they have been in the habit of charging on such loans.

It is thought therefore that by making the preferential rates on commodity paper apply only to notes which have been taken by member banks at rates not exceeding 6% per annum, the banks will be encouraged to do their part in promoting orderly methods of crop marketing, and to a greater extent than would otherwise be the case. The benefits of the Federal Reserve Act were intended by Congress to apply to those having dealings with banks as well as to the banks themselves.

A rate of 3% for special "commodity paper" has been proposed by the Federal Reserve banks of Atlanta and Dallas, to which the substance of the proposed regulation had been communicated, and this 3% rate was approved at the meeting to-day. This means that the member bank which applies for a rediscount of paper secured by properly insured staples will obtain the funds asked for at 3%, provided that the total charges made by such member bank to the maker of the paper did not originally exceed 6% per annum, including commissions.

The Board's announcement was amplified by a circular issued by Gov. Hamlin defining "commodity paper," which we print below:

#### CIRCULAR NO. 17—SERIES OF 1915.

Federal Reserve Board.

Washington, Sept. 3 1915.

#### COMMODITY PAPER.

In Regulation B, series of 1915, the Board has established the policy of encouraging transactions of Federal Reserve Banks in trade acceptances and in commodity paper by admitting these kinds of paper to be rediscounted by Federal Reserve banks with the waiver of the particular requirements with reference to statements.

In pursuance of this policy, the Board has issued a regulation (P, series of 1915) laying down the conditions under which trade acceptances may be discounted by Federal Reserve banks at a special rate to be published for this kind of paper. In further pursuance of the same policy, the Board in the appended regulation (Q, series of 1915) has authorized special rates on commodity paper.

It is expected that this new class of paper with its special rates will prove of particular efficacy in meeting the seasonal demands for credit facilities in the crop-producing districts, and the Board in authorizing these special rates will rely on the Federal Reserve banks to adopt a policy which will result in securing for the ultimate borrowers the extension of credit on moderate terms by member banks. As in the case of trade acceptances, the rates to be established for commodity paper may be expected to be lower than the rates established for ordinary commercial paper. It will be left to the discretion of the Federal Reserve banks to determine whether different rates should be established for trade acceptances and commodity paper. Uniformity of rate may appear to be desirable in districts where there are transactions in both kinds of paper.

H. PARKER WILLIS,  
Secretary.

CHARLES S. HAMLIN,  
Governor.

#### REGULATION Q—SERIES OF 1915. COMMODITY PAPER.

In this regulation the term "commodity paper" is defined as a note, draft, or bill of exchange secured by warehouse terminal receipts, or shipping documents covering approved and readily marketable, non-perishable staples properly insured.

"Commodity paper" to be eligible for discount by a Federal Reserve bank under Section 13, at the special rates hereby authorized to be established for commodity paper below the usual commercial rates, must (a) comply with all the requirements of Regulation B, Series of 1915, Paragraph I and II, or with the requirements of Regulation C, Series of 1915; (b) and be paper on which the rate of interest or discount, including commission charged the maker, does not exceed 6% per annum, and also (c) comply with such regulations as may be issued by Federal Reserve banks covering requirements as to warehouse or terminal receipts, shipping documents, insurance, &c., adapted to the particular needs of its district as a condition of the special rate herein authorized.

Reserve banks are now authorized to submit rates for the discount of commodity paper in accord with this regulation for review by the Board.

#### SHIPMENT OF GOLD AND SECURITIES FROM GREAT BRITAIN.

The third large consignment of gold and securities shipped to this country from England since Aug. 1 was safely deposited in this city on Wednesday, the gold, which is valued at \$19,466,000, having been placed in the U. S. Sub-Treasury and the securities in the vaults of J. P. Morgan & Co. As was the case in the two previous shipments, the treasure was consigned to J. P. Morgan & Co., fiscal agents in the United States of the British Government. The following statement regarding the shipment has been made by the banking firm:

There is American gold coin valued at \$7,850,000 and British sovereigns to the amount of £2,390,000, valued at, approximately, \$11,615,000. This makes the aggregate \$19,466,000.

No statement has been given out as to the amount of the securities, and they have been estimated as between \$15,000,000 and \$30,000,000. As previously noted, the first consignment which arrived in this city on Aug. 11, consisted of \$19,534,200 in gold and securities estimated at more than \$30,000,000; the value of the shipment received last week, Aug. 29, is figured at about \$55,000,000, made up of \$19,500,000 in gold and about \$35,000,000 in securities. The present shipment was brought to Halifax on the British cruiser Argyle, and reached that place on the 6th inst. The treasure arrived at the depot of the American Express Co. at 45th St. and Lexington Ave. on Tuesday night.

#### GOVERNOR CARLSON'S CRITICISM OF FRANK P. WALSH OF INDUSTRIAL COMMISSION.

Discussing the findings in the report of the Colorado coal strike drafted by George P. West, and made public August 27 by the United States Commission on Industrial Relations, Governor Carlson of Colorado issued a statement on August 29th in which he stated that Frank P. Walsh, Chairman of the Commission, "with vicious and subtle cunning," was "imputing the domination of Rockefeller to an overwhelming majority of Colorado's citizens." In further criticism of Chairman Walsh, his statement says:

With the sophistry of the mountebank and the prestige of Federal authority, he slyly seeks to transfer to our people the prejudice of the nation against this man of wealth.

After a series of \$1,000,000, opera bouffe hearings, he would convey to the nation the idea that the majority of our citizens who in the last election registered their protest against violence in labor disputes had no knowledge of the facts or were corruptly influenced.

With such mendacious statements does he satisfy his publicity lust and Colorado is still further maligned before the nation.

Why does not Walsh tell the people of the country that those engaged in the coal mining and allied industries are a very small part of our population; that the rest of the people sat in judgment and with the problem close at hand balanced the equities, probed into every fundamental principle involved and then solemnly and overwhelmingly declared indirect opposition to his lately announced and skillfully press-agented findings?

Why did he not tell the people of the nation that Colorado decided against violence because she is confident in the effectiveness of the ballot to deal with industrial questions, when enforced by such popular checks as the recall, the initiative and referendum, and biennial elections?

By nature a mountebank and sensationalist he did not tell the truth because the truth concerning Colorado is not wanted by the yellow press of the nation and those anarchistic elements whom he represents.

There was a further and special reason why Colorado would not tolerate violence and which Walsh shrewdly concealed. He claims to find among other things that had the labor laws of Colorado been enforced, there would have been no strike and consequent violence.

When in this State he found out that our mining code had been drafted by John Lawson and his associates; that this code of laws is considered one of the most advanced in the Union, and that any imperfections were due to those who drafted and sponsored it.

Why has he not told the people of the nation that at the time of the strike and for six years before, the United Mine Workers leaders controlled and selected the State enforcing officials of Lawson's coal mining code?

Walsh declares that the check-weighman laws were not enforced, but he does not state that Mr. Brake, State Labor Commissioner at that time, and all his deputies were prominent members of, or closely affiliated with, the United Mine Workers, and had full power and complete authority to enforce this as well as all other labor laws.

Why did Walsh not permit the country to learn that during the years of discontent that finally culminated in industrial warfare and violence, the district attorney in the Trinidad and Walsenburg district and the high State officials almost without exception were practically chosen to their

offices by the leaders of the United Mine Workers, were notoriously in sympathy with their action, faithful to their interests, and open opponents of any political activities of the coal operators?

These were the facts, Mr. Walsh, that caused the people of Colorado to pronounce against violence and to take the reins of government from those then in office and to say, "you who have so miserably failed to advance and protect your own interests with all that opportunity cannot resort to violence to cover your own shortcomings."

Both capital and labor have many who appeal to prejudice. It takes a higher and rarer intelligence to find a common ground on which both may live in peace. Walsh's strange conception of his duty impelled him to discard a wonderful opportunity for constructive work in favor of a program of false and destructive criticism.

When he was in Colorado, I sought to discuss with him certain features of the Workmen's Compensation and Industrial Commission Act then being drafted to eliminate the cause of industrial unrest and which was subsequently passed by the last legislature. To my complete astonishment he was totally barren of ideas or facts concerning this kind of legislation.

Messrs. Weinstock and Commons of the Commission gave us the benefit of their experience and study, and if Walsh had done likewise, he might be regarded to-day as a benefactor of Colorado instead of her traducer.

Supplementing the summary of the Commission's findings referred to at length in these columns August 28, the report itself embodying the views of Chairman Walsh and Commissioners Lennon, O'Connell and Garretson, was made public on that date. Concerning the basic cause of industrial unrest it said in part:

We find the basic cause of industrial dissatisfaction to be low wages, or, stated in another way, the fact that the workers of the nation, through compulsory and oppressive methods, legal and illegal, are denied the full product of their toil.

We further find that unrest among the workers in industry has grown to proportions that already menace the social good will and the peace of the nation. Citizens numbering millions smart under a sense of injustice and oppression.

The extent and depth of industrial unrest can hardly be exaggerated. State and national conventions of labor organizations, numbering many thousands of members, have cheered the names of leaders imprisoned for participation in a campaign of violence conducted as one phase of a conflict with organized employers.

Employers have created and maintained small private armies and used these forces to intimidate and suppress their striking employees by deporting, imprisoning, assaulting and killing their leaders. Elaborate spy systems are maintained to discover and forestall the movements of the enemy. The use of State troops in policing strikes has bred a bitter hostility to the militia system.

Courts, legislatures and governors have been rightfully accused of serving employers to the defeat of justice, and, while counter charges come from employers and their agents, with almost negligible exceptions it is the wage earners who believe, assert and prove that the very institutions of their country have been perverted by the power of the employer.

The unrest of the wage earners has been augmented by recent changes and developments in industry. Chief of these are the rapid and universal introduction and extension of machinery, by which unskilled workers may be substituted for the skilled and an equally rapid development of means of rapid transportation and communication, by which private capital has been enabled to organize in great corporations.

Now more than ever the profits of great industries under centralized control pour into the coffers of stockholders and directors who never have so much as visited the plants, and who perform no service in return. And while vast inherited fortunes, representing zero in social service to the credit of their possessors, automatically treble and multiply in volume, two-thirds of those who toil from eight to twelve hours a day receive less than enough to support themselves and family in decency and comfort.

The responsibility for the conditions which have been described above, we declare, rests primarily upon the workers, who, blind to their collective cries of their followers, have suffered exploitation and the invasion of their strength and oftentimes deaf to the cries of their followers, have suffered exploitation and the invasion of their most sacred rights without resistance. A large measure of responsibility must, however, attach to the great mass of citizens. But until the workers themselves realize their responsibility and utilize to the full their collective power, no action, whether governmental or altruistic, can work any genuine and lasting improvement.

#### PUBLIC SERVICE COMMISSION REMOVES DISCRIMINATION IN STOCK EXCHANGE TICKER SERVICE.

The Massachusetts Public Service Commission ordered on the 8th inst. the United Telegram Co. and the Gold & Stock Telegraph Co., through its lessee, the Western Union Telegraph Co., to remove the alleged discrimination against Calvin H. Foster, Boston correspondent of a member of the New York Stock Exchange, whose request for a ticker service had been refused because the application had not been approved by the Stock Exchange.

The Commission has the following to say regarding Mr. Foster's petition and the answers filed by the respondents:

In his petition Mr. Foster alleges that he has been engaged continuously in the stock brokerage business in Boston for about twenty-five years; that during all that time until the latter part of December 1914 he had tickers furnishing him with quotations of both the New York and Boston Stock Exchanges; that in December 1914 the stock tickers furnishing the New York quotations were removed; that he has been unable since then to secure this service; that the respondents have stated that they will not furnish the service unless the application is approved by the committee on quotations of the New York Stock Exchange; that he has appeared before the said committee on two separate occasions and has given full particulars as to his business, answering every question asked; that so far as he knows said committee has not yet taken action on his application; that he is an approved correspondent of a member of the New York Stock Exchange since 1907, and is now a member of that Exchange; that in conducting his business he has always complied with the laws of this Commonwealth; that he does not desire the quotations and service for any unlawful or improper use, but for use in his legitimate brokerage business in Boston; that his business will suffer irreparable damage if he is unable to procure them.

The respondents filed separate answers (The Western Union Telegraph

Co., as lessee, answering for the Gold & Stock Telegraph Co.) and both ask that the petition be dismissed for the reasons:—

First, that the Commission is without jurisdiction over the subject matter of the petition, the same being within the sole jurisdiction of the Inter-State Commerce Commission; Second, that the respondents have no legal right to deliver the quotations desired to persons other than those approved by the New York Stock Exchange, as provided in the contract which each of the respondents has with said Exchange.

The Commission finds that the allegations of the petitioner were not denied by the respondents, who stated, however, that the New York Stock Exchange had notified them that Mr. Foster's application had been disapproved but did not furnish the Commission with the reason for such disapproval. The report of the Commission states that the dissemination and distribution of these quotations is not a favor to the public granted by the Exchange but is a matter of business and a service rendered which is productive of profits. The Exchange was not represented at the hearing, and the Commission asserts that it should have been in order to submit any evidence it might have of the unlawful and improper use for which the petitioner desires the quotations. The report asserts that the Commission should not assume, as the respondents contend, that the Exchange acted in good faith and disapproved the petitioner's application on the grounds specified in the contracts. The report goes on to say:

If the Exchange can, by disapproving the petitioner's application and without submitting, when its decision is called in question before the proper authorities, evidence to prove that he desires the quotations for unlawful and improper use, keep the respondents from furnishing him with those quotations and ticker service, it may thus without producing any evidence cut off from receiving them any banker, broker or other person for any reason, or, indeed, without reason. Such a power in this country is unthinkable. Where a public service or public use is involved there can be lodged nowhere powers of unjust and unreasonable discrimination.

In reply to the contention of the respondents that the Public Service Commission is without jurisdiction in the matter, the report states:

The telegraph is an instrument of commerce, and under the amendment of June 18 1910 to the Acts of Congress to regulate inter-State commerce, it is provided that its provisions shall not apply "to the transmission of messages by telephone, telegraph or cable wholly within one State and not transmitted to or from a foreign country or from or to any State or Territory as aforesaid."

The order issued by the Commission is as follows:

It appearing that the Gold & Stock Telegraph Co., by the Western Union Telegraph Co., lessee, and The United Telegram Co., have, without just cause, denied and refused to supply to Calvin H. Foster the continuous quotations of the New York Stock Exchange by means of ticker service now furnished and supplied to others, said denial of service is held to constitute an unjust and unlawful discrimination; and it is

Ordered that the Gold & Stock Telegraph Co., by the Western Union Telegraph Co., lessee, and The United Telegram Co., shall forthwith remove said discrimination.

As stated in our issue of August 7, certain Buffalo stock brokers have secured a temporary injunction against the Western Union Telegraph Co. and the Gold & Stock Telegraph Co. restraining the companies from shutting off their ticker service from the New York Stock Exchange. The proceedings were instituted because the Exchange declined to approve the applications of the plaintiffs for such service. On June 23 the injunction was continued by order of Justice Pooley in the Supreme Court at Buffalo, pending the determination of the proceedings.

#### FUND ESTABLISHED BY HENRY FORD IN HIS PEACE CAMPAIGN.

In furtherance of his educational campaign for peace Henry Ford of Detroit announced on the 4th inst. that he had set aside a fund of \$1,000,000 to be devoted to that purpose, and augmented this offer on the 8th inst. when he stated that, if necessary, he would increase the fund to \$10,000,000. Mr. Ford's views on militarism in the United States, and what he termed "wasteful preparedness for war", were set out in these columns August 28.

Methods of the disposition of the fund will be deferred, it is understood, until Mr. Ford confers in the matter with John Wanamaker and Thomas A. Edison.

#### McADOO URGES SHIPPING FACILITIES AND RESERVE AGENCIES IN LATIN AMERICA.

The establishment of joint agencies of the twelve Federal Reserve banks in the leading cities of Central and South America for the purpose of providing enlarged credit facilities is one of the recommendations contained in the report on the recent Pan-American Conference submitted to President Wilson by Secretary of the Treasury McAdoo on the 5th inst. Declaring that the question of adequate steamship facilities is fundamental and underlies every other question concerning our trade and future relationship with the Latin-America, the report also urges that the Government put itself behind a shipping enterprise, so that the necessary financial support to make it successful be assured. The report adds:

It is an undertaking of such magnitude that the Government alone has the resources and the power to act quickly and to compass it. We cannot reasonably expect private capital in this country to engage in this essential undertaking. It is too big an undertaking at the outset for private capital.

Moreover, the claim is made that our navigation laws must be amended or that subsidies or subventions must be granted or that one or all of these things must be done before private capital can be encouraged to engage in shipping enterprises. But if any or all of these things should be done there is no assurance or guarantee, nor can any be had, that private capital in sufficient amount will come forward quickly and provide the steamship facilities for which the trade and commerce of this country and of Central and South America are acutely suffering.

The shipping field has for many years failed to attract American capital, which will have to be educated to shipping enterprises, no matter what laws may be passed by the Congress. This will take a long time. The evolution of an adequate merchant marine through private capital will be extremely slow and painfully uncertain if it evolves at all. Meantime our great opportunity to serve our South American friends and promote our own interests may be irretrievably lost.

I am informed by the Navy Department that in order to bring our present navy up to its maximum usefulness and efficiency in time of war there is needed 400 merchant vessels of approximately 1,172,000 gross tonnage of varied character and requirements; that in addition to this, "should our own coast be invested or even occasionally visited there would be required a large number of small vessels fitted for mine sweeping, say 324 of such vessels of about 150 gross tons each." We have only a small portion of the required tonnage in suitable merchant vessels of the larger units registered under our flag.

It would seem to be the part of wisdom and intelligence for the Government of the United States to create, promptly by construction and purchase, a fleet of merchant vessels suitable for naval auxiliaries and to operate these vessels in time of peace for the purpose of extending our commerce throughout the world and creating the trained seamen upon whose skill and valor we must depend for the operation of these ships and the defence of our country in time of war.

It is mere assertion to say that these vessels cannot be operated in commerce at a profit; but even if this be conceded and the ships should be operated at a loss, which must be borne by the Treasury, this loss will be a small price to pay for the extension of our commerce and the defence of our country.

In support of his suggestion for the establishment of joint agencies of Federal Reserve banks in South and Central America, Mr. McAdoo says that extension of the credit facilities of this nation in those countries will inure to "their and our advantage." He declares that the plan advanced during the conference here for the amendment of the National Bank Act so that national banks could become stockholders of an independent bank, which would do a foreign business, is inferior to that he now proposes for joint agencies of the Reserve banks. In his argument the Secretary says:

The Federal Reserve banks comprise in their membership every national bank in the United States, as well as a number of leading State banks and trust companies. They constitute a financial organization of unequalled strength, and their operations in foreign countries will be for the common benefit of all banks composing the system. These agencies in foreign countries could, in addition to their banking business, render a great service to American business men and bankers by furnishing credit reports and general information about trade and finance in the various countries in which they operate.

According to Secretary McAdoo the Federal Reserve Act has supplied the necessary authority (Section 14, paragraph E) "to open and maintain banking accounts in foreign countries, appoint correspondents and establish agencies in such countries \* \* \* for the purpose of purchasing, selling and collecting bills of exchange," and may also engage in transactions connected therewith.

He further says:

The power of the Federal Reserve banks to establish such joint agencies in foreign countries, with the consent of the Federal Reserve Board, appears to be beyond question. The initiative rests with the Federal Reserve banks. While they cannot be compelled to establish such agencies, I believe that upon a careful study of the situation and with the encouragement of the Federal Reserve Board, they will be prompted to take this important step.

The establishment of Federal Reserve agencies will not prevent the member banks from carrying on and enlarging the business they are now doing in foreign countries. It is gratifying to note that many of our national banks and trust companies are showing commendable enterprise in supplying credits to Latin America.

In outlining his proposal Mr. McAdoo says:

The twelve Federal Reserve banks could, with the consent of the Federal Reserve Board, establish joint agencies in each of the countries of Latin America, their interest in such agencies to be in proportion to the capital stock and surplus of each participating Federal Reserve bank. The combined capital stock and resources of our Federal Reserve banks, utilized in this way for the extension and promotion of our foreign commerce, would give them unrivalled financial power. They could maintain themselves in foreign fields in competition with the world and perform a service of incalculable value to the American people.

Next in importance to banking and shipping, the report says, is the question of uniformity of laws regarding:

- (1) The establishment of a gold standard of value;
- (2) Bills of exchange, commercial paper and bills of lading;
- (3) Uniform classification of merchandise, customs regulation, consular certificates and invoices and port charges;
- (4) Uniform regulations for commercial travelers;
- (5) To what extent further legislation may be necessary concerning trade marks, patents and copyrights;
- (6) The establishment of a uniform low rate of postage and of charges for money orders and parcels post between the American countries;
- (7) The extension of the process of arbitration for the adjustment of commercial disputes.

Mr. McAdoo's further suggestions embody the following:

That the International High Commission on Uniformity of Laws be granted an appropriation of \$25,000 to enable it to carry on the important work it has undertaken and represent the United States in the meeting of the International High Commission of all the Latin-American republics.

That a Pan-American Financial Conference be held annually in the city of Washington, and that the Congress authorize the President to extend invitations to the republics of Latin America to attend a financial conference in the city of Washington during the year 1916, and that an appropriation of \$50,000 be made for said conference.

A sub-committee of the Latin-American return visit committee, appointed by Secretary McAdoo, met at luncheon at India House on Thursday to organize the personnel of the delegations which are to visit the different countries or groups of countries, probably at periods between November 1 of this year and April 1 1916. The co-operation will be asked of the chairmen of the eighteen permanent group committees of United States business men, appointed by Secretary McAdoo.

The sub-committee announced that the trips would have none of the character of "junkets" and that it was hoped to complete the organization of the delegations at an early date.

#### AMERICAN BANKING POSSIBILITIES AND FOREIGN TRADE DEVELOPMENT.

Under the caption "American Banking Possibilities," H. J. Dreher of the Marshall & Ilsley Bank, Milwaukee, addressed the delegates to the annual convention of the Washington Bankers' Association at Seattle on the 6th. Observing that America has at last become in fact a world power, Mr. Dreher pointed out that "a nation that would prosper in international trade must first become a world banker." The supplying of the products of soil and factory to the old established nations of Europe," he noted, "is a simple matter of trade and also of finance, but such commercial intercourse does not constitute such international trade as would be of largest benefit to America, or is it, as generally understood, the kind of activity most consistent with American aims and governmental policies." Continuing, he said in part:

The trade that is most profitable to a nation in international intercourse, is that with new and developing countries. Trade is reciprocal. The currency of trade is gold. Credit is the life blood of development. Without it, developing nations can give no profitable return on undeveloped natural resources. Expansion and internal development must first be a reality before nations reap the full benefit of international trade.

If we would profit by the Monroe Doctrine, if we would make cordial relations with the Central and South American republics a reality, we must do it now, and we can only do it by pouring into those countries vast sums for development purposes, being content for some period of time with small returns and limited benefits. No nation is more capable of financing foreign trade than America. If this nation were at the point in its development, where funds were not needed in vast amounts for further internal development, then the financing of a foreign trade policy would be comparatively easy and fraught with little danger. But it is almost incalculable to estimate the sums which will still be needed for internal development.

A belief is very prevalent, and even held by bankers, that the amount of notes in circulation determines the degree of prosperity enjoyed by a nation. It has been said, time and time again, that faulty currency legislation alone makes interest rates high. Let it ever be remembered that notes become scarce when gold is being exported, and that a scarcity of notes, ipso facto, prevents gold exportation. Notes in this country are convertible into gold, and when you make notes plentiful you remove the impediment to the exportation of gold. So long as we have a convertible currency, the facilities to trade, in no way depend upon the issuing of notes.

It is obvious that by an excessive issue of notes, the aggregate currency of the country would be depreciated and a large part of the community defrauded, or else a corresponding amount of gold would be expelled, the result of which could only be to injure a part of the people in the same ratio that the other part had been benefited. True it is, that by this process an amount of gold would be released by notes. Assuming that convertibility would not be endangered, it may be argued that this would be an advantage. Could this advantage consist in anything more than an increase in the world's supply of gold in trade, and the return in interest to be had thereon?

But, it is advanced in answer, contemplate the harm which ensues by reason of panics caused by a limited supply of notes. You may legislate as you will, but you cannot legislate for panics. They occur under a rigid system of currency, they will also occur under an elastic system. And they may be more destructive under the latter, for under a rigid system of currency definite limits are set beyond which the world of trade cannot go. When this fact is forgotten, which is usually at the end, catastrophe, results. Under the elastic system, wherein a practically unlimited multiplication of notes is possible, unlimited engagements are undertaken because of a belief in unlimited resources, and the end demonstrates a very definite computation of limited resources. One fact, and one only, is true under an elastic system, and American experience conclusively demonstrates its truth and that is that panics are allayed by law, only when men are relieved of the belief that they cannot have notes when they want them. Under the elastic system, be it ever remembered, that a panic would not arise until the last note had been issued which could safely be issued, and such panic would, of necessity, inevitably end in actual and widespread disaster.

If notes cannot be procured, gold can be. If gold cannot be procured a country is on dangerous ground. If commerce must stop if note issuing ceases, then gold cannot be procured, which is the strongest of reasons for not issuing notes convertible into gold. Only when notes are issued in limited amounts to supply a decrease in circulation caused by a breakdown of credit, and then only for internal purposes, is the element of danger at all minimized.

If cheap money were alone the great accelerator of prosperity and sound conditions of business, why are we now talking of returning prosperity and bemoaning the stealth with which it seems to move upon us?

When we speak of returning prosperity we, per se, take cognizance of its previous departure. We have greatly benefitted, materially, by the European war. We have seen our time overcome a serious financial

disturbance, have liquidated a vast amount of American securities held abroad, which has added capital to our store of credit in the shape of interest payments no longer necessary to be sent abroad, and have become a creditor nation in current trade.

And yet with this great abundance of credit, with advantages in trade, and new fields for its development, that we have never before possessed, and above all, with cheap money begging for use, we behold a period of industrial inertia and business depression. Why is everyone not rushing to secure cheap money which bankers everywhere are seeking to loan? Why are receiverships still occurring, why are prices of highest grade stocks and bonds still so low? Why are railroad systems finding it difficult to procure money to place their credit on a permanent and sound basis, why is railroad development, indubitably needed, still being delayed? Why is the buying of great merchandising establishments so limited in amount? And concurrently, our store of gold gradually increases and the expedient of issuing Federal Reserve notes to husband gold resources has been utilized. What a paradox.

There is but one answer. Capital is on strike. We are in a period when capital refuses to be employed. Large sums of capital are securely resting at 3% or less in the deposit accounts of strong banks. The dishonesty of promoters, and some financiers, is not forgotten. The exploitation of dreamers who would create wealth out of desert lands at 6%, is still fresh in mind. The decrees which have prevented the payment of interest on foreign securities of nations in the turbulence of revolution have not accelerated further investment. Governmental attack on its own creatures has rendered the employment of capital dangerous. In a word, we have cheap money because the confidence of the public has been shattered. Never more true than now, that in straightness rather than astuteness, credit finds the source of influence which make it grow and flourish.

And now we are about to enter into the greater field of foreign trade. We are to take, at a time when the capital of Europe is being utilized for destruction and will, of necessity, for years to come, be utilized for home restoration, our accumulated wealth and loan it for the development of other countries. Development loans by reason of the hazard involved, command higher rates of interest than ordinarily prevail at home. A tendency will develop on the part of promoters of new enterprises, and speculators, to press insistently at home for cheap money in order that attractive rates and large profits may be obtained by loaning the money abroad.

Against this tendency, the bankers of America must be as adamant. In the last analysis our experiment in foreign trade and its effect upon the future of our country, will rest on the wisdom and conservatism of our bankers.

One of the most prolific sources of evil in this land in the years which have passed since the wonderful development of corporate activity, has been the clash between Federal and State control. The accumulated funds of the nation are placed in corporate enterprises irrespective of the State in which such enterprises originate, and yet decrees of the Commissions of the Federal Government, promulgated in accordance with the authority granted by the Constitution of the United States in the regulation of Inter-State commerce, are practically set at naught by the enactments of similarly constituted commissions exercising constitutional powers of State overignty, and losses occur, development is retarded, and capital is prevented from being fully utilized by reason of this anomalous condition which is permitted to exist by our people.

Has not, then, the time arrived when the bankers of America, the men most interested in properly and fully utilizing accumulated wealth, shall insist that the antagonism between Federal Government and the State, so far at least as commerce is concerned, shall cease, and that the business policy demonstrated by foreign nations to be peculiarly adapted to commercial development, and which our people are desirous of seeing made effective in operation in this land, shall be given full sway. Is it not time that the Federal Government, the great arm of all the people extending over all the land, shall alone regulate affairs of Inter-State commerce, and make commerce, as well as finance, an empire without unnatural barriers. I would not abrogate the right of States in the exercise of powers over the people of their locality, which peculiarly relate to their political welfare, but in matters affecting the commercial prosperity of our people, and which are of equal interest to every citizen, irrespective of the State in which his citizenship may vest, the Federal Government should be invested with sole authority of regulation and supervision. This is an essential preliminary to the development we seek in foreign trade.

#### ESTABLISHMENT OF FINANCIAL AGENCIES IN CHILE BY COPPER COMPANIES.

The Braden Copper Co. and Chile Copper Co. announce that they will establish financial agencies in Valparaiso, Chile. The properties of the two corporations are several hundred miles distant from Valparaiso, the commercial centre of Chile, and it has been found advisable to centralize their financial affairs in that city. It is expected that the financial agencies will contribute considerably to the development of dollar exchange in Chile. They will be in charge of trained foreign exchange men and under the supervision of H. R. Wagner, resident director in Chile. Leopold Fredrick, director and Treasurer respectively of the companies, through whose efforts dollar exchange was introduced in Chile, states that during the last two months an excellent market has been created in Valparaiso for dollar bills. A large part of the business of the companies with which he is connected is now transacted through New York, which was formerly done entirely by sterling drafts. Considerably lower discount rates in New York in comparison with London, the rapid fall in sterling exchange, and the opening of accounts in the United States by German banks established in Chile, who are prevented through the war from dealing with London, are said to have contributed to this change. In order to be able to retain the dollar business after the war, Mr. Fredrick has taken steps, in conjunction with other American houses doing business in Chile, to have contracts made payable, whenever possible, in United States dollars.

#### REPORT OF NATIONAL CURRENCY ASSOCIATION OF SAN FRANCISCO.

The total amount of emergency currency issued under the provisions of the Aldrich-Vreeland Act by the National Currency Association of San Francisco was \$8,634,500, according to the report of the executive committee of the Association. The maximum amount of currency to which the members of the Association would have been entitled under the Act—that is, on the basis of 30% of the combined capital and surplus of \$52,698,250—was \$15,809,475. To cover the emergency currency issued, the executive committee received commercial paper and bonds aggregating \$25,548,259, of which \$11,536,585 represented original deposits of commercial paper, \$13,816,674 substitutions and \$195,000 represented bonds deposited. The first application for currency was received Aug. 8 1914 and the last application Dec. 3 1914. The first retirement of the currency took place on Nov. 7 1914, while the date of the last retirement was May 25 1915. The largest amount applied for in one day was \$1,750,000 on Aug. 8 1914, while the largest amount retired in one day was \$1,735,000 on Jan. 21 1915. The maximum amount of currency outstanding on one day was \$8,617,500, on Oct. 30 1914. The expenses of the Association amounting to \$4,220 were covered by assessments upon the members. The report states that "the territory covered by the Association, as finally determined by the Comptroller of the Currency, consisted of 'all of the Federal Reserve District No. 12, except the States of Washington and Oregon and the following counties in the State of California, namely, Santa Barbara, Ventura, Los Angeles, San Bernardino, Riverside, Imperial, Orange and San Diego, and such other contiguous territory as the Secretary of the Treasury may from time to time assign.'" The National Currency Association of San Francisco consisted of 26 banks, of this number but 14 applied for currency, three receiving the maximum amount. John D. McKee, President of the Mercantile National Bank of San Francisco, was Secretary of the Association.

#### REPORT OF NATIONAL CURRENCY ASSOCIATION OF WASHINGTON.

The emergency currency issued by the National Currency Association of the State of Washington having all been retired, the Association has submitted its final report. The largest amount of currency outstanding at any one time was \$530,000, or 7.01% of the maximum available which was \$7,551,500. Only two banks in the Association took out emergency currency. The total amount of securities deposited to cover the same was \$728,090, of which \$388,500 was commercial paper, \$323,420 municipal bonds (par value) and \$16,170 other bonds and securities. The officers of the Association were: President, M. F. Backus, President of the National Bank of Commerce, Seattle; Vice-President, E. T. Coman, President of the Exchange National Bank, Spokane; Secretary, M. A. Arnold, President of the First National Bank, Seattle; Treasurer, W. D. Vincent, Vice-President of the Old National Bank, Spokane.

#### FEDERAL RESERVE BANK EXAMINER.

J. L. Cross has resigned as Auditor of the First National Bank of Birmingham, Ala., to become Federal Reserve Bank Examiner, with headquarters at Washington, D. C. Mr. Cross assumed his new duties on the 1st inst. He will be called upon to examine the Federal Reserve banks at regular intervals and report to the Reserve Board. It is stated that a second examiner is to be appointed in a short time, and these two will handle the examinations of the Reserve banks. Mr. Cross was connected with the First National for six years and during the greater part of that time was Auditor of the bank. In 1913 he was President of the Birmingham Chapter of the American Institute of Banking. Mr. Cross is the second official identified with the First National Bank to become affiliated with the Federal Reserve system, W. P. G. Harding, formerly President of the bank, being a member of the Reserve Board. C. E. Holcombe, heretofore a collection teller in the bank, succeeds Mr. Cross as Auditor of the First National.

#### BILLS ELIGIBLE FOR ACCEPTANCE MUST INVOLVE IMPORTATION OR EXPORTATION OF GOODS.

According to the view of M. C. Elliott, Counsel for the Federal Reserve Board, "a transaction in order to be the basis of a draft or bill eligible for acceptance by a member bank must itself involve the importation or exportation of goods. A transaction wholly independent of the transac-

tion covering the importation or exportation of goods is not sufficient basis for an acceptance under the terms of Section 13."

Mr. Elliott's ruling is set out as follows in the Federal Reserve Bulletin for September:

June 11 1915.

Sir.—The following inquiry has been submitted to this office for an opinion: A domestic corporation, which for convenience will be designated "Company A", enters into a contract with another domestic corporation, designated "Company B", to furnish material to be used by Company B in the manufacture of products which Company B is under contract with a foreign purchaser to export. Query: Can a national bank accept a draft or bill of exchange drawn by Company A and accompanied by the necessary documents?

In other words, assuming that such an acceptance complies with the other necessary provisions of law and the regulations of the Board made pursuant thereto, can such an acceptance be said to be based upon the importation or exportation of goods?

The exact language of that part of Section 13 which is involved is as follows:

Any member bank may accept drafts or bills of exchange drawn upon it and growing out of transactions involving the importation or exportation of goods.

From the facts stated it does not appear that Company A which draws the draft, has any contract or is under any obligation to deliver the material, supplied by it elsewhere than in the United States. There is no privity of contract as between the foreign purchaser and Company A; on the contrary, Company A has an independent contract with Company B, both being domestic corporations, and when delivery of the material in question is made to Company B and the purchase price paid, the transaction is completed whether the goods in question were exported or not. The mere fact that the material furnished is ultimately intended for export in some form cannot be said to merge the two transactions into one, and the transaction between Company A and Company B, which is wholly independent of the transaction between Company B and the foreign purchaser could not be said to involve the exportation of the goods in question.

While the language used in Section 13, and above quoted, is broad enough to justify a member bank accepting a draft or bill of exchange for goods or other articles purchased or produced in connection with a definite contract for export, even though the shipment may not be a continuous or immediate one, it seems clear that the transaction on account of which the draft or bill of exchange is drawn must itself involve the exportation of the goods in question. By analogy the same principles must be applied to import transactions.

Respectfully,

M. C. ELLIOTT, Counsel.

To Hon. CHAS. S. HAMLIN,

Governor Federal Reserve Board.

#### LIVE STOCK AS A SECURITY.

That the matter of financing the live-stock interests in the West must not be neglected if general business throughout the country is to do well was the gist of an address delivered by A. E. de Rieques, General Manager of the American Live Stock & Loan Co. of Denver, before the Montana Bankers' Association Convention at Glacier Park last week. The occasion of the address, which has been printed in pamphlet form, was the entertainment of the delegates to the convention of the American Bankers' Association en route to Seattle. Mr. de Rieques said in part:

Taking up the matter of loaning money on live stock: At this time it is a fact that there are men borrowing money on good security in Montana who are paying from 8 to 10%, who every six months pay 50 cents a head on their cattle, or 5 cents a head on their sheep, in the form of a commission, to some commission firm for the privilege of getting this loan. These live-stock commission firms are possibly in touch with some cattle-loan company, bank or individual that will carry this paper; and such a commission firm may make 2% on the paper and looks to the commission as a part of its profits. That is certainly a poor place for any one to go for his financial assistance. While in the past such an arrangement may have been more or less of a benefit and help, still, with our new banking system and improved transportation and communication, a man who has good security in live stock should never be called upon to pay any live-stock commission firm a commission for anything unless it is actually sold on the market or in the country for him by such a firm.

At this time a great deal of money is being put out on live stock, because money is cheap and people cannot find opportunities at home to loan it. This is not a good situation, because, as soon as money tightens up, this money will likely be taken out of live-stock paper and some one will get hurt. It is my belief that the best way to put out money on live stock is through the local small country banks in the vicinity of where the live-stock is produced and being fed. This in event of the loaner not having an intimate acquaintance with the borrower. It is much better for the borrower, even though he may have to pay a little more interest, to get his money through his home bank than to seek outside and strange sources. Money can be loaned at a lower rate of interest through the home bank than it can direct. For example, if a New York man wanted to loan money in Montana, in the small sum of \$5,000, he cannot afford to come out to examine the security and look after the loan, if he had personally to supervise it; but he could put that money out through a country bank, and such a bank would know at all times what the borrower was doing and could look after it at small expense, and would be glad to do it for a small fee because it would bring business to the bank and be helping a customer of the bank.

There is great opportunity for doing this kind of business in the West; it is the sensible and reasonable way to do it; and, with all due respect to the numerous cattle-loan companies that are doing business in this country, there has never been a better move proposed than to distribute funds to the producers through the country banks. If the large banks in the Reserve cities would take more interest in looking up their opportunities for putting out money to good people through their correspondents, the effect in the country would be immediately felt.

What I am trying to present to you in this statement is not so much information in regard to the details of making a loan to a live-stock man, but the feature that, if general business throughout the country—the merchants and railroads—are to do well, this matter of financing the various kinds of live-stock interests in the West must not be lost sight of. In this are wrapped up the growth and prosperity of this Western country.

### INCREASING EXPORTS OF THE UNITED STATES TO SOUTH AMERICA IN FIRST HALF OF 1915.

According to a statement issued by the Department of Commerce on the 7th inst., exports from the United States to South America during recent months show marked improvement over last year, the total for June 1915 being valued at \$13,744,000, against \$7,573,000 in June 1914; and for the six months ending with June last \$60,573,000, in comparison with \$52,263,000 for the first half and \$38,751,000 for the last half of 1914. Imports from South America are also considerably larger than a year ago. For June the official figures of the Bureau of Foreign and Domestic Commerce, Department of Commerce, just published in its "Monthly Summary of Foreign Commerce," show a total of \$26,210,000, against \$17,118,000 in June 1914, and for the six months ending June 30, \$156,043,000, against \$144,074,000 in the first half and \$105,447,000 in the second half of 1914.

During the earlier months of the fiscal year our trade with South America was seriously disturbed, and our total exports thereto in 1914 fell in value to \$99,324,000, or \$25,000,000 below 1913, and it was not until March 1915 that the upward trend was definitely resumed. This change is illustrated by the following table:

#### MONTHLY EXPORTS FROM THE U. S. TO SOUTH AMERICA.

Months—	1914.	1915.	Difference.	Per Cent.
January .....	\$3,700,000	\$7,000,000	Dec. \$1,700,000	Dec. 19.3
February .....	8,500,000	6,500,000	Dec. 2,000,000	Dec. 23.1
March .....	8,400,000	10,500,000	Inc. 2,100,000	Inc. 25.6
April .....	9,000,000	10,800,000	Inc. 1,800,000	Inc. 20.7
May .....	10,200,000	12,000,000	Inc. 1,800,000	Inc. 17.4
June .....	7,600,000	13,700,000	Inc. 6,100,000	Inc. 81.5

Tables in the June "Summary of Foreign Commerce" show a few of the more important items making up our export trade with South American countries. Thus in the month of June exports of agricultural implements to Argentina doubled; sales of automobiles to South America as a whole nearly trebled; a ten-fold increase marked the shipments of bituminous coal to that section; a similar gain occurred in exports of steel rails; sales of wire rose from 3 million to nearly 30 million pounds, half of it going to Argentina and a fourth of it to Brazil; leather exports doubled and those of boots and shoes increased in the case of Argentina. Over 2 million pounds of lard went to South America in June, or double the quantity a year ago. The depression in the naval stores industry was not reflected in sales to South America, since exports both of rosin and turpentine to South America increased to a marked extent. A like condition obtained with respect to illuminating oil, increases occurring in shipments to South America coincidentally with decreases to foreign countries as a whole. Sales of news print paper to Argentina rose from 1 million pounds in June 1914 to 8 million in June of the current year.

### RECALL OF AUSTRIAN MINISTER FOR PLAN TO DISORGANIZE MANUFACTURE OF MUNITIONS.

Instructions to the effect that the Austro-Hungarian Government be informed that Dr. Constantin Dumba, its Ambassador to this country, "is no longer acceptable to the Government of the United States," and has requested his recall "on account of improper conduct", were cabled to Ambassador Penfield at Vienna this week by Secretary of State Lansing, at the direction of President Wilson. This action was taken by the State Department after Dr. Dumba had "admitted that he proposed to his Government plans to instigate strikes in American manufacturing plants engaged in the production of munitions of war." The note asking for the Ambassador's recall was dispatched to Vienna by cable on the 8th inst. and was made public as follows, by the State Department on Thursday night:

Mr. Constantin Dumba, the Austro-Hungarian Ambassador at Washington, has admitted that he proposed to his Government plans to instigate strikes in American manufacturing plants engaged in the production of munitions of war. The information reached this Government through a copy of a letter of the Ambassador to his Government. The bearer was an American citizen named Archibald, who was traveling under an American passport. The Ambassador has admitted that he employed Archibald to bear official dispatches from him to his Government.

By reason of the admitted purpose and intent of Mr. Dumba to conspire to cripple legitimate industries of the people of the United States and to interrupt their legitimate trade and by reason of the flagrant violation of diplomatic propriety in employing an American citizen protected by an American passport as a secret bearer of official dispatches through the lines of the enemy of Austria-Hungary, the President directs me to inform your Excellency that Mr. Dumba is no longer acceptable to the Government of the United States as the Ambassador of His Imperial Majesty at Washington.

Believing that the Imperial and Royal Government will realize that the Government of the United States has no alternative but to request the recall of Mr. Dumba on account of his improper conduct, the Government of the United States expresses its deep regret that this course has

become necessary and assures the Imperial and Royal Government that it sincerely desires to continue the cordial and friendly relations which exist between the United States and Austria-Hungary.

The letter disclosing the alleged plan is reported to have been found among documents in the possession of James F. J. Archibald, an American newspaper correspondent, who was detained by the British authorities at Falmouth from August 30 to September 2. Mr. Archibald was making a trip to Germany by way of Rotterdam when detained by the British authorities. The communication was addressed to Foreign Minister Burian at Vienna; the following translation of it was printed in the "Times" of yesterday:

New York, August 20, 1915.

Noble Lord:

Yesterday evening Consul General von Nuber received the inclosed pro memoria [aide memoire, as it has been called, or simply "memorandum"] from the chief editor of the local influential newspaper Szabadsag after a previous conversation with me and in pursuance of his oral proposals with respect to the preparation of disturbances in the Bethlehem Schwab's steel and munitions factories as well as in the Middle West.

To-day at 12 o'clock Mr. Archibald, who is well known to your Excellency, leaves on the Rotterdam for Berlin and Vienna. I would like to use this rare, safe opportunity to recommend the proposals most warmly to your Excellency's favorable consideration.

I am under the impression that we could, if not entirely prevent the production of war material in Bethlehem and in the Middle West, at any rate strongly disorganize it and hold it up for months, which, according to the statement of the German Military Attache, is of great importance, and which amply outweighs the relatively small sacrifice of money.

But even if the disturbances do not succeed, there is a probability at hand that we shall compel, under pressure of the crisis, favorable working conditions for our poor, oppressed fellow-countrymen. In Bethlehem these white slaves at present work 12 hours a day seven days in the week. All weak persons succumb, become consumptive. As far as German workmen are found among the skilled elements, provision will be made forthwith for their exit. There has, besides this, been created a German private (underlined) registry office for providing employment, and which already works voluntarily and well for such persons. We, too, shall join, and the widest support is contemplated for us.

I beg your Excellency kindly to inform me through wireless reply with respect to this letter, whether you approve of same.

In greatest haste and respectful devotion,

C. DUMBA.

Dr. Dumba defended his plan as legitimate, saying, according to the New York "Times" of the 6th inst.:

There was nothing in the dispatches which Archibald carried that cannot be satisfactorily explained. The proposals regarding embarrassing steel works were nothing more than a very open and perfectly proper method to be taken to bring before men of our races employed in the big steel works the fact that they were engaged in enterprises unfriendly to their Fatherland, and that the Imperial Government would hold the workers in munition plants where contracts are being filled for the Allies as being guilty of a serious crime against their country, something that would be punishable by penal servitude, should they return to their own country.

There are thousands of workmen in the big steel industries, natives of Bohemia, Moravia, Carniola, Galicia, Dalmatia, Croatia, Slavonia and other peoples of the races from Austria-Hungary who are uneducated and who do not understand that they are engaged in a work against their own country. In order to bring this before them, I have subsidized many newspapers published in the languages and dialects of the divisions mentioned, attempting in this way to bring the felonious occupations to their attention. But this has been difficult. In some of the great steel plants of Pennsylvania these uneducated men of my country are nothing more or less than slaves. They are even being worked twelve hours a day, and herded in stockades. It is difficult to get at these workers except en masse, and a peaceful walkout of these workmen would be of the greatest advantage to my Government, as well as an indemnity to themselves.

It is my duty as the representative of Austria-Hungary to make known these facts to the Imperial Government, and in so doing I am performing a service for which I was sent to this country. The dispatches or letters carried by Archibald contained nothing more than a proposal that we attempt to call out the workmen of our own country from these steel and munition works and provide for them other employment. To do so money would be necessary and a labor employment bureau would have to be organized. This is one of the things I shall bring before the Secretary of Labor in Washington this week. This seems to me to be a legitimate and entirely satisfactory means of preventing the making and shipping of war materials to our enemies.

My letter which Mr. Archibald carried does not contradict anything that Count von Bernstorff has said, for his people and the great bulk of those who make up our Austro-Hungarian races are entirely different types. The greater part of German workmen of all ranks are educated. They read and discuss matters and can be easily reached. Not so with the many races and the great ignorant mass of our peoples. Promises of better wages and easier employment must be made, and their position in aiding the enemy must be brought home to them. Where there are a hundred German-born men working in the factories there are thousands of Austrians. Remedies for reaching these races must differ, and there is no conspiracy in an open attempt to call out the Austrian citizens at Bethlehem or elsewhere. Such a proposal as this was the letter of which it is said a photographic copy was made and its contents cabled to the State Department at Washington. It is to prevent the letter from being censored or garbled that I shall ask Secretary Lansing for an opportunity to explain.

A conference between Secretary of State Lansing and Ambassador Dumba was held in Washington on the 7th inst., at which the latter submitted an explanation of his actions. No statement was given out regarding the meeting, but it is understood that the Ambassador intimated to Secretary Lansing that he was acting under instructions from the Austrian Government in conducting his propaganda.

The text of Dr. Dumba's letter which was seized by the British authorities was cabled to the State Department on the 7th inst. by Ambassador Page at London and was in the hands of Secretary Lansing prior to his conference with the Austro-Hungarian Ambassador.

Dr. Dumba called at the Department of Labor on the 8th inst. to seek co-operation in providing for workmen who it was supposed would walk out of the munition plants in pursuance of his proposed scheme. It was stated at the Austrian Embassy that the only step in the scheme so far ordered in the instructions from Vienna was the issuance of a proclamation calling upon all Austro-Hungarian subjects to obey the decree of their Government against aiding in the manufacture of war munitions for the enemy.

According to the "Times," Secretary Lansing has instructed the Chief of the Bureau of Citizenship and Naturalization of the State Department to cancel the passport issued to James F. J. Archibald. It is also stated that Mr. Lansing has sent instructions by cable to Henry Van Dyke, the American Minister at The Hague, to issue an emergency passport to Mr. Archibald to enable him to return home under the protection of this Government.

#### GERMANY DECLARES ARABIC SUNK IN SUPPOSED SELF DEFENSE.

In a note received by the State Department this week from the German Government in explanation of the torpedoing of the White Star liner *Arabic*, it is declared that the submarine commander acted in supposed self defense as he feared from the actions of the vessel that an attempt was to be made to ram the submarine. The *Arabic* was attacked on August 19 off the coast of Ireland, its destruction resulting in the loss of two American lives. The attack, following the declaration made in the last note of the United States to Germany that a repetition of submarine warfare resulting in a loss of American life would be regarded as "deliberately unfriendly," served to create a critical situation, which, however, was arrested by assurances from Germany through Ambassador Count von Bernstorff, that no liners would hereafter be sunk by German submarines "without warning and without safety of the lives of non-combatants, provided that the liners do not try to escape or offer resistance." At the same time this Government was informed that Germany would give "complete satisfaction" to the United States if it developed that the commander of the German submarine had gone beyond his instructions in sinking the *Arabic*.

The German note regarding the *Arabic* incident was received at Washington on the 9th inst. from Ambassador Gerard at Berlin. Germany expresses therein deep regret "that lives were lost through the action of the commander" and "particularly expresses this regret to the Government of the United States on account of the death of American citizens." "The German Government is unable, however," the note continues, "to acknowledge any obligation to grant indemnity in the matter, even if the commander should have been mistaken as to the aggressive intentions of the *Arabic*." Germany offers to submit this point to the Hague Tribunal for arbitration if the two Governments cannot reach an agreement, but states that "the arbitral decision shall not be admitted to have the importance of a general decision on the permissibility or the converse under international law of German submarine warfare." The full text of the note, which was communicated to Ambassador Gerard in the form of a memorandum, under date of September 7, is as follows:

On August 19 a German submarine stopped the English steamer *Dunsley* about sixteen nautical miles south of Kinsale and was on the point of sinking the prize by gunfire after the crew had left the vessel. At this moment the commander saw a large steamer making directly toward him. This steamer, as developed later, was the *Arabic*. She was recognized as an enemy vessel, as she did not fly any flag and bore no neutral markings.

When she approached she altered her original course, but then again pointed directly toward the submarine. From this the commander became convinced that the steamer had the intention of attacking and ramming him. In order to anticipate this attack he gave orders for the submarine to dive and fired a torpedo at the steamer. After firing, he convinced himself that the people on board were being rescued in fifteen boats.

According to his instructions the commander was not allowed to attack the *Arabic* without warning and without saving the lives unless the ship attempted to escape or offered resistance. He was forced, however, to conclude from the attendant circumstances that the *Arabic* planned a violent attack on the submarine.

This conclusion is all the more obvious as he had been fired upon at a great distance in the Irish Sea on August 14—that is, a few days before—by a large passenger steamer apparently belonging to the British Royal Mail Steam Packet Company, which he had neither attacked nor stopped.

The German Government most deeply regrets that lives were lost through the action of the commander. It particularly expresses this regret to the Government of the United States on account of the death of American citizens.

The German Government is unable, however, to acknowledge any obligation to grant indemnity in the matter, even if the commander should have been mistaken as to the aggressive intentions of the *Arabic*.

If it should prove to be the case that it is impossible for the German and American Governments to reach a harmonious opinion on this point, the German Government would be prepared to submit the difference of opinion, as being a question of international law, to The Hague Tribunal for arbitration, pursuant to Article 38 of The Hague Convention for the pacific settlement of international disputes.

In so doing, it assumes that, as a matter of course, the arbitral decision shall not be admitted to have the importance of a general decision on the permissibility or the converse under international law of German submarine warfare.

It is understood that the position taken by the German Government in justifying the action of the submarine commander is disappointing, inasmuch as it was expected that Germany would disavow the act and possibly give assurances that the commander would be punished for exceeding his orders.

The Berlin correspondent of the *Nieuwe Rotterdamsche Courant* stated on the 8th that there was no basis for the reports that Admiral von Tirpitz, the German Minister of Marine, intended to resign; he merely planned, it was stated, to take a brief vacation; Admiral von Tirpitz is understood to have been the chief proponent of the submarine campaign. In contradiction of the above the New York "Tribune" printed the following yesterday:

Milan, September 9 (dispatch to "The London Daily News").—According to information received by the "Corriere della Sera," the resignation of Admiral von Tirpitz was followed by the resignations of Admirals Behncke and Bachmann. It appears, however, that the resignation of von Tirpitz was not accepted. He was ordered to remain at his post until the end of the war in order to preserve discipline in the navy. He will, however, no longer have any part in shaping Germany's naval policy. Admiral Holzendorf, cousin of Admiral Muler, Chief of the Naval Cabinet, has replaced Admiral Bachmann. This appointment is significant, as Holzendorf is known as a vigorous opponent of von Tirpitz and his policy.

#### BRITISH LINER HESPERIAN SUNK.

The Allan Liner *Hesperian*, bound for Montreal from Liverpool, was the victim apparently of a German submarine, last Saturday evening (the 4th), while off the Irish coast, and sank early Monday morning, after an attempt had been made to tow the vessel into Queenstown. The first news of the disaster was contained in a cable message from American Consul Frost at Queenstown, which was received at the State Department on the 5th inst. The message said:

The Allan liner *Hesperian* torpedoed by German submarine 70 miles southwest of Fastnet at 8:30 o'clock Saturday evening. One or two Americans on board; none lost. Loss of life, about 8.

Vessel has not sunk. Admiralty boats landed passengers and troops at 8:30 this morning. Have returned to bring *Hesperian* in here, due about 9 o'clock to-morrow morning.

There were about 45 Canadian troops on board, unorganized, and mainly invalided; also one 4.7 gun mounted and visible on stern. Vessel bound for Montreal.

The vessel carried 350 passengers and a crew of 300. Consul Frost informed the American Embassy at London on the 8th inst. that he had received an unconfirmed report that one of the missing sailors of the *Hesperian* was an American citizen. Figures issued by the Allan Line show that 6 second cabin passengers, 6 third cabin passengers and 13 of the crew of the vessel were unaccounted for on the 6th inst. This brings the probable death list, including a Miss Carberry of St. Johns, Newfoundland, whose body is at Queenstown, up to 26. It is reported that there were no Americans among the *Hesperian's* passengers, but that some of the crew were American citizens.

No positive evidence that the *Hesperian* was torpedoed has been received at the State Department. The most reliable information so far received is in the form of an affidavit given to Consul Frost by Captain Main of the *Hesperian* and three officers. This affidavit, signed jointly by the four, was received at the State Department on the 7th inst. and the following paraphrase of it was given out:

The *Hesperian* left Liverpool at 7 p. m. on Friday, Sept. 3, and by 8:30 p. m. on Sept. 4 had reached latitude 50 north, longitude 10 west, about eighty miles southwest of Fastnet.

Dusk was closing in rapidly at the time specified when an explosion took place against the starboard bow No. 2 bulkhead, admitting water into compartments 1 and 2. The vessel sank about ten feet within four hours.

The explosion occurred within about eight feet of the surface, throwing a mass of water and steel fragments on the deck. From the steel fragments preserved it is indubitable that the explosion was caused by a torpedo and not by a mine. The characteristic odor of high explosive was noticeable.

No warning of any kind was received by the *Hesperian*. The track of a torpedo approaching the vessel was not observed by any of the ship's officers. They thought that on account of a falling light it may not have been possible to have seen it. No submarine was sighted before or after the explosion.

A 6-inch gun mounted on the stern of the *Hesperian* was painted a service gray, and would not have been conspicuous even at a short distance, and the officers think it could not have been observed at all through a periscope.

On board the *Hesperian* were forty Canadian soldiers, including officers, all either invalided or in attendance upon those invalided. These soldiers were all from various Canadian organizations, but were not organized or traveling as a unit.

No American citizens were among the passengers so far as known. One cabin steward, N. J. Dallas, was an American citizen.

Very slight panic or confusion existed, and the boats and life-saving apparatus were in readiness and worked well.

Wireless signals, siren and rockets brought a British warship in the scene by 9:30, and two other Admiralty vessels before 10:30, but the Hesperian was not under convoy, and had not spoken to an Admiralty ship prior to the torpedoing.

Ambassador Page cabled to the State Department on the 7th inst. that he had been informed by the British Admiralty that the Hesperian was sailing as an ordinary passenger vessel and had never been in the Government service since the war began.

Count von Bernstorff, the German Ambassador, gave out on Wednesday the following wireless dispatch from the German Foreign Office in Berlin:

According to information available in Berlin it appears improbable that the Hesperian was torpedoed. Much more likely that boat ran on a mine.

It is reported that Secretary Lansing sent a cablegram to Ambassador Gerard at Berlin on Wednesday instructing him to inquire whether the German Government had any report concerning the attack on the Hesperian, and if so, to request a copy of the report.

#### APPEALS FOR RELEASE OF GERMAN GOODS AFFECTED BY BRITISH BLOCKADES.

With regard to reports last week that concessions had been granted by Great Britain which would permit American importers to receive German goods ordered prior to the issuance on March 1 of the Order in Council, the State Department at Washington took occasion to give out the following statement on the 3d inst. in explanation of the present situation:

Many importers are laboring under a mistaken impression in regard to Great Britain's attitude touching the bringing forward of goods of German origin. They seem to believe that goods contracted for prior to March 1 with legal liability of payment are now freely coming forward and that applications will be received by the British Embassy at this capital. This is an error.

The American Consul-General at London informed the Department that attorneys on the ground were obtaining permits for such goods upon certain conditions which were not specifically stated. Ambassador Page was immediately instructed to take up the matter informally with the British Foreign Office and to inquire through what channels applications for permits were being received and what treatment would be accorded applications made through the foreign trade advisers as unofficial representatives of American owners as in cases prior to June 15.

A cablegram was received Sept. 1 from the Ambassador, reporting in effect, that the British Government had replied that the questions propounded are connected with the general question of shipments from neutral ports, now under discussion, about which the French Government is being consulted, and that an answer might be expected at a later date.

The Department is now sending a cablegram to the Ambassador stating that the American importers not represented by private attorneys in London feel that they should receive notice of any relaxation of the application of the British Orders in Council in regard to goods owned by them in Rotterdam, and are now entitled to full information as to whether their applications would be received in London or by the British Embassy here through the unofficial aid of the foreign trade advisers.

It is stated that more than \$150,000,000 of American-owned goods of German origin are now tied up at Rotterdam under the Order in Council. A cable from Ambassador Page at London on the 7th reported that Great Britain is now prepared to accept informal representations by the Foreign Trade Advisers of the State Department as a means of releasing American-owned goods of German and Austrian origin now held up. The receipt of the Ambassador's message was followed by a conference at Washington, attended by Trade Adviser Fleming; Sir Richard Crawford, commercial attache of the British Embassy, and T. S. Sharretts, counsel for the American Importers' Association, after which it was announced that the details of the plan would be worked out within a few days. The arrangement, it is said, will result in the Trade Advisers resuming negotiations which have been interrupted since July 15 by the British refusal to consider further applications for special permits under the Order in Council. It is expected that the new arrangement will release all goods of German and Austrian manufacture for which American importers have incurred obligations. Ambassador Page's report said:

The British Government is now agreeable to the presentation of applications by the Foreign Trade Advisers acting informally for importers, through the British Embassy in Washington. You are further informed that details of arrangement are now being worked out. It is advisable for importers to forward proofs as to goods ordered before March 1 by contracts under which they are liable to make payment, including clear statement of the circumstances of the case and the original contract or certified copy.

According to the "Times" of Thursday, importers in the United States who had bought goods in Germany and Austria before March 1 were notified on the 8th of the plan of the British Government to facilitate shipments from Rotterdam and other neutral ports. Judge Fleming, the Foreign Trade Adviser of the State Department, has drafted a letter which has been mailed to importing firms throughout the country which had complained to the State Department that goods were being tied up and were greatly needed in this country. This letter is as follows:

With reference to previous correspondence with regard to the shipment of goods of German origin to the United States, you are informed that the Department is in receipt of a cable from the American Ambassador at London, saying that it is now understood that the British Government agrees to receive applications presented by the Foreign Trade Advisers acting informally on behalf of importers through the British Embassy at this capital.

In view of this information and information of a similar character received from the British Embassy, at Washington, it is suggested that you submit without delay to this office, if you desire to avail yourself of its unofficial representation, evidence that the goods in which you are interested were ordered by an American firm, or for their account, before March 1, by a contract under the terms of which the purchaser was legally bound to pay for the goods.

All cases submitted should be accompanied by:

1. An affidavit giving the history and a clear statement of the circumstances of the case and substantiating the documentary evidence submitted.

2. Either the original contract or a certified copy showing the conditions stated above.

3. Copies of order sheets, original acceptances, pro forma invoices and consular invoices, if available. In addition to these proofs, you should indicate the marks, numbers, value, class of goods, and name and address of your shipping agent in Rotterdam or other neutral port.

This evidence will be submitted by this office to the British Embassy as soon as details of the arrangement are perfected. You will be informed of full details of such arrangement as soon as possible.

A committee of officers and members of the Master Dyers' Association of Philadelphia called at the State Department on the 9th to urge Secretary Lansing to take steps for the release of dyestuffs now held in German ports. The committee, which claims that Philadelphia represents the largest dye center in the United States, declared that the textile industry of this country was jeopardized by the embargo placed on the German dyestuffs. Under certain conditions, they said, the German Government would release the dyestuffs, and they asked Secretary Lansing to endeavor to meet those conditions. With regard to the failure of dyestuffs to reach this country, the following announcement, placing the responsibility with Germany, was made by the British Embassy on Aug. 30:

April 14 a formal notice was issued by the British Government that they would allow vessels carrying two shipments of dyestuffs, which were paid for by delivery in Germany of certain cotton cargoes, to pass without interference, provided the vessels sailed under a neutral flag; that the shipments were made from Rotterdam and the dyestuffs consigned to the Secretary of Commerce for distribution directly to the textile industries. This offer, which was refused by Germans, still holds good.

#### SENTENCE FOR GERMAN RESERVIST WHO SWORE LUSITANIA WAS ARMED.

Gustav Stahl, the German reservist who was indicted for perjury in swearing to a false affidavit that the Lusitania carried guns concealed below her decks, was sentenced on the 10th inst. by Judge Charles M. Hough in the U. S. District Court in this city to serve one year and six months in the Federal penitentiary at Atlanta and to pay a fine of \$1. Stahl pleaded guilty to the perjury charge on the 8th inst. As heretofore stated, he was indicted by the Federal Grand Jury on June 18 and pleaded not guilty on June 21 in the Criminal Branch of the U. S. District Court; on July 12 he withdrew this plea and presented three pleas in abatement of the indictment. The indictment against Stahl stated that he committed perjury as a witness at the Federal Grand Jury investigation to determine whether Paul Koenig and others had conspired to defraud the United States. In pronouncing sentence on Stahl, Judge Hough said:

As the defendant does not understand English, the comments of the Court will have no meaning to him, but the public interest in this case seems to call for some discussion of it. We have several alternative questions confronting us in endeavoring to determine the man's motives. Plainly, in pleading guilty, as he has done, to perjury, he admits that he lied in stating that he saw guns on the Lusitania. Did Stahl make this affidavit by the procurement or application of persons whom he might have judged to have authority and power to reward and protect him? No evidence on this point is before me. Or did he do it out of personal vanity and a desire for notoriety in the public prints? I think the answer to both questions is in the affirmative.

The prisoner is sentenced to one year and six months in the Federal penitentiary at Atlanta and to pay the nominal fine of \$1, the same being necessary in order to comply with the legal requirements of the sentence.

#### TO INVESTIGATE SCALE OF WAGES AT WASHINGTON NAVY YARD.

Secretary of Navy Daniels announced on the 6th inst. that he will appoint a board to investigate the scale of wages in force at the Washington Navy Yard. Mr. Daniels' statement was issued after a conference with President Wilson, and at the latter's direction. A comparison of the wages prevailing in the Washington Navy Yard with those paid in private gun factories will be made, and until a report on the investigation is submitted no action will be taken on the appeal of the navy yard employees for higher wages. Mr. Daniels pointed out that the Washington Navy Yard is in reality a Government gun factory and for this reason the wage scale in force there should be compared with those

prevailing at private gun factories and not at other navy yards. The Secretary's statement said:

It is recognized that conditions in factories engaged in making guns have changed since the rate of wages was fixed last December. Wages in outside gun factories for highly skilled mechanics have increased and the demand for experts in such establishments is much greater. I do not feel authorized to make any change in the compensation of these skilled workers without the customary investigation and report of a labor board.

But, in view of changed conditions, instead of waiting for the regular period of wage adjustment in December, I will appoint a board and direct its members to investigate the prevailing rate of wages for skilled mechanics in plants like the gun factory at Washington.

This board will be directed to report at the earliest practicable day feasible, and as soon as the report is received action will be taken looking to such adjustment as the investigation and report show to be justified by prevailing conditions.

#### LEGAL OPINIONS LIMIT APPLICATION OF SEAMEN'S ACT.

Two opinions on the La Follette Seamen's Law limiting the application of the statute were made public by the Secretary of Commerce on the 7th inst. One of the rulings was rendered by Attorney General Gregory on Section 14 of the Act, which imposes rigid safety regulations. As heretofore stated the Attorney General's interpretation of this Section was handed to President Wilson on Aug. 25. It upholds the ruling of Solicitor Thurman of the Department of Commerce that Section 14 does not apply to the vessels of foreign nations which have navigation laws "approximating" those of the United States. The other opinion made public this week, was submitted by Solicitor Thurman, who holds that the provisions of the Seamen's Act do not apply to foreign-built vessels granted American registry under the Emergency Ship Registry Act of August 1914. This latter Act empowers the President to suspend for a time the navigation laws relating to measurement, survey and inspection, for the purpose of admitting foreign-built ships to American registry. The Solicitor holds that although the Seamen's Act became a law subsequent to the passage of the American Registry Act, the former does not alter the privileges granted under the Registry Act.

The Attorney General, in his opinion regarding Section 14, contends that "only foreign private steam vessels carrying passengers from any port of the United States to any other place or country" are subject to the provision of the Section in question. The following are the conclusions reached by the Attorney General:

I am of opinion that when not actually carrying passengers neither foreign cargo nor foreign passenger steam vessels are subject to the provisions of this section. Only foreign private steam vessels carrying passengers from any port of the United States to any other place or country are so subject. To this latter rule, however, an exception must be noted in favor of a vessel belonging to a country whose inspection laws at the time of the voyage approximate our own and which accords to our vessels like privileges of home inspection; provided such vessel is (1) possessed of an unexpired inspection certificate properly issued under and evidencing compliance with such foreign laws, or (2), where its certificate so issued has expired, it has properly obtained in lieu thereof from the Secretary of Commerce a special permit to depart from a port of the United States if possessing an unexpired certificate.

In stating his reasons for his conclusions the Attorney General said in part:

I conclude, therefore, that the words "foreign vessels" in the proviso under discussion can only be read as "foreign vessels subject to the operation of Section 4488, of which this proviso is amendatory." This reading meets the declared purpose of the conference committee; accords with the principles of construction applicable to such an amendatory proviso, and makes the amendment harmonize with the large underlying purpose (security of life) of the Section on which it was imposed, and also of the Act to which that Section belongs.

As noted at the outset, certain "foreign private steam vessels carrying passengers" are exempt from the provisions of the Act, to wit, those belonging to countries having inspection laws approximating those of the United States and possessing either unexpired certificates of inspection, or in lieu thereof having permits issued by the Secretary of Commerce. The scope of this exception depends, of course, on the meaning to be given to the word "approximate."

What inspection laws do and what do not "approximate" those of the United States is necessarily a mixed question of law and fact. As such it must primarily be determined for their guidance by the proper officers of that department of the Government charged with the administration of these navigation laws. If their determination should be controverted by the vessel owners, the issue is one for judicial determination like any other disputed fact. Speaking generally, the term "approximation" is not synonymous with identity, but indicates merely substantial and material accord. Trivial and unsubstantial differences should be disregarded, as also requirements in the foreign laws additional to and beyond our own. The phrase also contemplates "approximation" not at the date when it was added to the law, to wit, 1902, but approximation from time to time as the inspections and voyages occur.

Questions as to the proper issuance of foreign certificates of inspection; as to whether such foreign countries accord to the steam vessels of the United States visiting those countries the same privileges as are offered in the amendment of 1902 to steam vessels of those countries visiting the United States; as to whether vessels claiming the privilege of the Secretary of Commerce under the amendment of 1906 are those operating upon regularly established lines, and as to whether such vessels will be regularly inspected by the authorities of their home government before they next return to a port of the United States—all these are of a similar nature and should be similarly resolved.

It is understood that under the Attorney General's interpretation vessels of Great Britain, France, Japan, Norway, Germany, the Netherlands and Denmark will be exempt from the provisions of Section 14. The fact that the leading foreign competitors of the United States would not be affected by these provisions of the Act is a point that American vessel owners have made against the law ever since its passage. It is believed that the Attorney General's opinion will result in an attempt by the Administration to have the law either amended or abrogated by the next Congress.

The Section of the Seamen's Act, 14, which is the subject of the opinion made public on the 7th inst., is designed to increase the life saving equipment required on passenger lines and specifies that they shall carry life boats sufficient to care for 75% of the persons on board and pontoon rafts to accommodate the others. It also compels the steamers to carry trained life boat men, holding Government certificates for efficiency. The opinion of the Attorney General on this Section is looked upon as one of great importance, and it is generally believed in official quarters in Washington that it has dealt a severe blow to the La Follette Act. It has been the opinion of experts that the provision of the Seamen's Law which attempted to compel all vessels of whatever nationality using American ports to obey the law, regardless of existing treaty provisions, would prove untenable on application, and the Attorney General's report confirms this judgment. It is pointed out that the effect of these provisions when put into operation will be to compel American vessels to operate at a higher cost than their competitors, thus bringing about a discrimination against American vessel owners.

As stated in these columns last week, the Attorney General has sent an opinion to the President on Section 4 of the Act, which gives sailors on any ships of any nationality the right to demand, while in American ports, one-half of the pay due them, providing that this demand is not made oftener than once in every five days.

The Department of Commerce made public on the 9th inst. several regulations issued by the Bureau of Navigation relating to seamen's wages, hours of labor, &c.

#### PARCEL POST PECULIARITIES—THE RAILWAYS THE LOSERS.

[Reprinted from the "New York Times."]

The New Haven Railway has sued the Post Office for \$1,472, the damages for being required to carry gold by postal parcel service in manner contrary to law. The packages were not sealed or stamped as required of first-class mail. The weight limit was exceeded, and the packages were not prepared for convenient inspection. The railway alleges that the gold packages were not mail matter of any sort, and were not shipped as freight or express. Besides the gold, the company was required to transport seven men as guards, although it has no contract covering such service. Nevertheless, the service had to be performed, and was performed, and the company demands pay for transportation of both gold and men according to fair value received.

The case is a mild one. The Pennsylvania Railroad carried \$99,000,000 gold for nothing, 200 tons of it, and 100 clerks and guards. Gold is not the only thing which is put into the parcel post and carried by the railways for nothing. The only thing which the parcel post has refused to carry is a baby. The Postmaster at St. Paul ruled that babies were live stock, and not mailable. Seven hundred bushels of oats could not be declined, and five tons of ore in fifty-pound sacks were shipped to the Washoe smelter. It was a losing job for Uncle Sam, even worse than for the railways. The smelter was off the railway, and the Post Office had to hire wagons. A butcher reduced a steer to mailable weights and sent him at a profit, at the cost of the railways, although the Government got the thanks.

There are reports of postal contractors who have made business for themselves by means of the parcel post. A West Virginia postmaster, who also was a grocer, received an order for four barrels of flour. So he sold himself stamps and delivered the flour in bags through parcel post. The Government was bound to supply him with the stamps canceled through his office, and also was bound to deliver his flour. Nobody paid for the transportation of the flour. The railway was bound to carry it under its four-year contract. The Government paid nothing for the additional service. The transaction was strictly regular in all respects, and yet there is something about it better worth consideration than the oddities of the case. There are six mail order houses shipping 100,000 packages apiece on which the freight and express charges are avoided. They know their rights, and it is an easy guess that they could tell strange tales of how they put it over the railways and Uncle Sam. The people value the postal parcel service and do not want it crippled. Also they do not want it abused. The Government itself sets the worst example in this respect.

#### APPEAL TO CONGRESS ON RAILWAY MAIL PAY QUESTION.

Business men in every State are asked in a bulletin issued by the Railway Business Association under the caption "Railway Mail Pay and Public Opinion," to study the question and take it up with Senators and Congressmen. The Association publishing the document is a national organization of manufacturing, mercantile and engineering concerns dealing with the railroads. The "space method" advocated by the Post Office Department is vigorously opposed in the bulletin. In ten years, according to it, the

Post Office receipts increased 100.5% and total railway mail pay only 27.7%. "It is our earnest hope," says President Geo. A. Post, "that the Government which requires that rates of transportation to private shippers shall be reasonable and that practices of commercial corporations shall be fair, shall free its own procedure from all suspicion of unreasonableness and unfairness."

The Association urges that mail pay shall not again be made a rider on an appropriation bill or dealt with at the crowded end of a session. The following are the conclusions which business men and members of Congress are requested to consider:

1. Mail pay ought to be adjusted according to some fair standard fairly applied.
2. Mail pay ought not to be affected by the Post Office Department balance sheet. The roads should receive not what the Department is willing to pay them but what the service is worth. Two successive Postmaster-Generals have advocated Government ownership of certain public utilities. These considerations ought not to enter into the fixing of compensation.
3. Congress should lay down the rule that compensation shall be equivalent to what private shippers would pay for similar service. There is no more reason for taking the postal deficit out of the railways than out of letter-carriers or building-contractors. Congress should not hold the roads down to the lowest possible limit. Poor railroads make a poor country.
4. Fixing of rates and measurement of service to be paid for should be subject to review by some Government body not directly interested in showing a surplus for the Post Office Department. The Postmaster-General is an interested party. He should not have final arbitrary authority over matters in dispute between the railroads and his Department.
5. Amount of railway service to be paid for should be determined by measurement of actual service performed over a test period, never by arbitrary estimate not subject to a check-up by the facts. Under the weight system now in use Department subordinates report what the scales record. Under the proposed "space" system they would perform a function involving judgment and putting a much greater strain upon their impartiality as between the carrier and the Government.
6. Weight should be a factor as well as car-miles and should be taken at least annually. Weight is the actual measure of service performed, the measure used by the Government on postage and the measure by which freights are paid. The present law provides for quadrennial weighings. This is too seldom. Increase of actual weight between weighings involves a great loss to the carriers, as notably shown following the establishment of the parcel post. Annual weighing and annual readjustment of pay would approximate to fairness as compared with the quadrennial system.
7. Total mail pay for each road should be large enough to include fair compensation for every facility furnished and for every service rendered. Present practice takes no cognizance of use of apartments in combination cars, of use of side-track by cars required in advance of departure, of specially equipped rooms in stations, of use of station-trucks, of cranes, mechanical catchers and bag-receivers. Neither is cognizance taken of labor of employees in handling closed pouches in baggage cars or of transporting mail to and from post offices and stations and between stations of different railways at junctions when not more than a quarter-mile apart. Total pay, moreover, falls short to the extent of the gross inadequacy of compensation for the parcel post.
8. Payment to each road should vary according to length of haul, speed and frequency of mail trains. The present law ignores all these.

#### THE WORKINGS OF THE SAN FRANCISCO FEDERAL RESERVE BANK.

Russell Lowry, Deputy Governor of the Federal Reserve Bank of San Francisco, enlightened the delegates at the annual convention of the Utah Bankers' Association at Salt Lake City on June 10 on the workings of the Reserve Bank of the Pacific Coast since its opening last November, saying in part:

One of the earliest problems confronting us at San Francisco was that of lightweight gold. This district is the only one in the country where gold circulates at all freely as a medium of exchange. Owing to the complacency of the banks, gold coins have not been scrutinized with minute care, and the result is that a large amount of gold coin is in use which has been worn by abrasion and no longer weighs up to the Government standard.

You are aware, of course, that gold coin is legal tender only for the value of the gold contained in it. When the banks began paying in their reserves, we received large quantities of this lightweight coin, which we were obliged to reject. It seems unfair, of course, that when a \$10 gold piece has passed through five hundred hands, losing a little value at each exchange, the five-hundred-and-first man should stand all the loss caused by the other five hundred.

There is no other way, however, and as we did not care to be No. 501, we left that pleasant duty to the bank which sent the coin to us. Our policy is to receive and pay out no gold except that which is full weight.

Perhaps some plan will be devised by which the Government will ultimately stand the loss of value by natural abrasion of the coinage, but until such plan is adopted, the last holder of the coin must be the victim. If this were generally understood by the public, and the banks accepted gold coins as we do, only at their weight value, the use of currency would become suddenly very popular.

Our most important function, and the one in which no doubt you are most interested, is that of re-discounting. Starting out with nothing to guide us except the general principles set forth in the Federal Reserve Act, supplemented by certain regulations of the Federal Reserve Board, we had to develop our policies concerning the quality of paper to be handled, the technical details to be observed, &c.

It is not surprising that there was at first some confusion, perhaps some contradictions and certainly a good deal of misunderstanding of what was required, but gradually the matter has been worked out along certain definite lines which the member banks are coming to apprehend and follow.

It will be observed that we lay a good deal of stress upon definite arrangement as to maturity and re-payment, and, in fact, we insist in every case in knowing these facts about any note offered to us for re-discount: (1) For what purpose was the money loaned? (2) From what source is payment

expected? (3) Is the borrower good for it and has he the kind of assets that warrant expectation that he will pay the note at maturity?

It is not mere curiosity, or distrust of our member banks, that prompt these inquiries. If we are to be of the highest service to our district, ready to respond to its needs under any and all circumstances, it is absolutely necessary that we confine our investments to paper of the shortest possible maturities and the highest possible certainty of liquidation at maturity without renewal or direct substitution. The funds entrusted to our care are the reserves of the member banks, taken from the vaults of these banks and in no respect changed as to their character or purpose.

Moreover, the notes re-discounted with us may at any moment be called upon to serve as the basis for issues of Federal Reserve notes, which are, in fact, money, and the coin necessary to redeem these notes must be available at short notice through the collection of the re-discounted paper. It is not enough for us that the commercial paper in our hands be good; it must be liquid as well as good; that is, fairly certain of being paid through consummation of the transaction which called the paper into existence.

The best answer to the argument that eligible paper is lacking in this district lies in the fact that during our seven months of operation we have re-discounted paper for no less than 96 banks of the 522 members in this district. The amount of such paper re-discounted was \$5,041,000, embraced in 1,018 notes. The greater part of these have been paid off as they matured and the amount at present on our books is about \$1,750,000.

Of all the paper offered to us, we have actually taken or given credit for more than 90%, the remaining 10% being declined, partly for technical defects, partly because of unsatisfactory statements. Only six banks in Reserve cities have sought to use our facilities, the other ninety being country banks, and the bulk of the paper in amount has come from these country banks.

The character of the notes and their origin might be of interest to you. During the month of May we re-discounted for member banks, 237 notes. Of these, 90 were notes of farmers and live-stock growers; 44 were notes of retail merchants, and 32 of wholesale merchants; there were 12 notes of manufacturing concerns, 17 of fruit packers and shippers, and the remainder came from such industries as meat packing, lumber, &c.

Paper has come to us from every State in the district except Arizona, and we are convinced of two things: First, that every bank in the system has some paper, if only a small amount, of an acceptable kind; second, that the quantity is steadily increasing as the banks come to understand more fully the requirements and are able to educate their customers into better habits of maintaining their credit.

To my mind, this improvement of credit standards is one of the most important results thus far achieved by the Federal Reserve System. Many bankers have been accustomed to inquire only, concerning an applicant for a loan, is he good for it? Now they are going a step farther, and asking two more questions: What is he going to do with the money? and how is he going to pay it back?

These questions must be answered satisfactorily before the paper will pass muster with the Federal Reserve Bank, and, naturally, every banker desires to have as large a proportion as possible of paper that can be turned into cash, if desired, before its maturity.

One trouble with our banking and credit system heretofore has been the lack of a market for liquid commercial paper and lack of dependable commercial paper of a uniform degree of security.

Under the Federal Reserve Act, a new class of paper has been created, which embraces the desirable elements of uniform security, sure liquidation at maturity and ready convertibility before maturity. I refer to the bank acceptance. This is a radical departure from our former credit instruments but it is in line with the financial practices of Europe, where the bank acceptance and the discount system go hand-in-hand to provide stable financial conditions and fairly uniform rates of interest.

Hitherto all transactions of this kind have been financed by London Paris or Berlin banks, who charge a commission for the use of their credit. The entering wedge has been made for the use of dollar exchange as opposed to sterling exchange, and the plan is being developed with great success.

When the acceptance business has been more fully developed, under the safeguards provided in the Federal Reserve Act, and perhaps extended to permit of handling domestic as well as foreign transactions, the interior banks may find in this field an ideal source of investment, standardized as to security, perfectly liquid in quality, through the privilege of re-discount and more profitable than balances carried with a city correspondent.

And the best part of it is that our financial structure will in the future rest on a proper foundation, embracing the whole credit resources of the nation—the combined strength of the merchant, the manufacturer and the producer, joined with that of the financial institutions, instead of leaning for support, as it has in the past, upon speculative dealings in stocks and bonds. Truly we are entering into a new era of banking and finance, and the future is bright with promise.

#### NEW YORK PUBLIC SERVICE COMMISSION TO ENFORCE JITNEY LAW.

The Second District Public Service Commission, according to a statement recently given out, has taken the first steps toward the enforcement of the so-called "Jitney Bus Law" passed at the last session of the Legislature, by applying through its counsel, Frank H. Mott, to Supreme Court Justice Hasbrouck at Kingston for a permanent injunction restraining James E. Adams in Corning and Elmer G. Booth in Rochester from operating "jitney" lines without the consent of the local authorities for a certificate of public convenience and necessity from the Commission. Justice Hasbrouck will hear the petition on Sept. 4 in Kingston. Other proceedings will also shortly be brought against other alleged violators of the statute. This statute (Chapter 667 of the Laws of 1915) requires all bus lines, motor vehicles, stage routes, any vehicle carrying passengers for 15 cents or less, or any vehicle operating in competition with a common carrier required to procure the consent of the local authorities, to obtain a certificate of public convenience and necessity from the Public Service Commission before operating in the streets of any of the cities of the State.

Hitherto the Commission, it is stated, has considered the enforcement of this law in the hands of the local authorities, and has withheld action on its own part until the local au-

thorities had been afforded time to act. Recently, however, a number of complaints have been lodged with the Commission against so-called jitney bus lines apparently operating without authority. At the last session of the Commission its counsel was directed to take court action against the alleged violators. Complaints also have been received against other alleged violators, and these will be handled either in the regular way before the Commission, or before the courts.

The statute in specific terms makes all persons and corporations engaging in the jitney business, as defined, common carriers, and subject to all provisions of law as such. The present applications to the Supreme Court, are, we are informed, under Section 57 of the Public Service Commissions Law, which authorizes the Commission to apply to the courts for injunctions to restrain violations of this law.

#### INQUIRY INTO CHICAGO EXCURSION DISASTER: SECRETARY REDFIELD'S REPORT.

Secretary of Commerce Redfield, who has been conducting an investigation into the capsizing of the excursion steamer Eastland, which overturned at her pier in the Chicago River on July 24, has submitted a report to the President, the contents of which were made public on August 16. The report states that a "searching inquiry" will be made into the whole administration of the Steamboat Inspection Service, under supervision of representatives of the Navy Department and of the public. Mr. Redfield announces that the inquiry will be conducted by officers not connected with the Department of Commerce "so that there shall be no question of its impartial character." The report does not place responsibility for the accident and points out that, because of the action of Judge Landis in ruling that witnesses testifying before the Federal Grand Jury should not be examined in any other proceeding, it was impossible for the investigation of the Department of Commerce to continue until the conclusion of the Grand Jury inquiry. The Secretary of Commerce added:

It seemed, however, important that the board of inquiry should continue its study as far as was practicable in order that it might if possible suggest such remedial changes in the law, as would tend to prevent a recurrence of similar accidents hereafter.

Mr. Redfield makes known his intention to present a report to both houses of Congress which will contain recommendations, and submit estimates for sufficient money to render the service efficient. Secretary Redfield's investigation into the disaster was temporarily suspended on August 5. As previously noted, the Eastland disaster has been the subject of several investigations, Federal, city and State.

Six indictments charging manslaughter and criminal carelessness in connection with the capsizing of the excursion steamer were returned by the State Grand Jury before Judge Kersten in Chicago on August 11. Those indicted were:

George T. Arnold, President of the St. Joseph-Chicago Steamship Co., owner of the Eastland.

William H. Hull, Vice-President and General Manager.

W. C. Steele, Secretary-Treasurer.

Ray W. Davis, Assistant-Secretary-Treasurer.

Captain Harry Pedersen, master of the Eastland.

Joseph M. Erickson, engineer of the vessel.

Bonds were fixed at \$20,000 each for the company officials and \$10,000 each for Pedersen and Erickson. A joint indictment was returned against the company officials charging manslaughter on five counts, while separate bills were handed down against the captain and engineer of the vessel charging criminal carelessness. An indictment against Walter K. Greenebaum, General Manager of the Indiana Transportation Co., lessee of the Eastland, charging manslaughter, was returned by the Grand Jury on August 27. The true bill against him contains two counts, one charging the overloading of a passenger vessel and the other the use of an unseaworthy boat for carrying passengers. Messrs. Hull, Pedersen, Erickson, Greenebaum and Robert Reid and C. C. Eckliff, Federal Inspectors of Steamships, were adjudged guilty on July 28 by a coroner's jury, which placed upon them the blame for the loss of lives resulting from the capsizing of the steamer. The jury recommended that they be held for indictment on charges of manslaughter.

The Eastland was formally released from the custody of the United States Government and turned over to its owners on August 17. It has not been determined what disposition will be made of the vessel. According to the revised and official reports of Coroner Hoffman's office, which were completed on the 2d inst., 812 persons were lost in the disaster. At the time of the tragedy it was estimated that there were 2,480 on board the vessel and that over 1,100 lives had been lost.

#### BANKING, LEGISLATIVE AND FINANCIAL NEWS.

Only 15 shares of bank stock were sold at the Stock Exchange this week and 10 shares at auction. There were no transactions in trust company stocks. A sale of 10 shares of Corn Exchange Bank stock was made at 307½, an advance of 6½ points over the price paid at the last previous sale three weeks ago.

Shares.	BANKS—New York.	Low.	High.	Close.	Last previous sale.
*15	Commerce, Nat. Bank of	158	158	158	Aug. 1915—160
10	Corn Exchange Bank	307½	307½	307½	Aug. 1915—301

\* Sold at the Stock Exchange.

A New York Stock Exchange membership was posted for transfer this week, the consideration being \$60,000, the same as the last preceding transaction.

Walter W. Warwick of Cincinnati has been made Comptroller of the Treasury, succeeding George E. Downey, who was recently appointed a justice of the Court of Claims. Mr. Warwick was heretofore Assistant Comptroller of the Treasury. He was appointed to his new position by President Wilson on Aug. 31 and sworn in the following day. Charles M. Foree, formerly Chief Clerk of the office, has been named to succeed Mr. Warwick as Assistant Comptroller.

Seattle was this week the center of interest for the banking fraternity, that city being the scene of the annual convention of the American Bankers' Association, which draws together financial interests of every section of the country. The close proximity of the Panama-Pacific Exposition at San Francisco and the Panama-California Exposition at San Diego served as an added attraction this year, with the result of swelling the attendance. The programs of the business sessions of the main body and the various sections, embodied important features aside from the regular proceedings, and the entertainment of the delegates was not overlooked. Not only were the attending bankers elaborately feted by the bankers of Seattle, but in other cities, like Tacoma and Spokane, they were also royally entertained.

One of the developments of the present week's convention has been the formation of a new section for national banks, made up of one-third of the total membership of the Association. Those who have been elected to serve as officers of this new section are: President, F. W. Hyde, of the National Chautauqua County Bank, Jamestown, N. Y.; Vice-President, J. S. Calfee of the Mechanics-American National Bank of St. Louis; and the following executive committee: J. E. Cox, of the Commercial National Bank of High Point, N. C.; Oliver J. Sands, of the American National Bank of Richmond, Va.; W. H. Buchholz of the Omaha National Bank of Omaha; H. E. Otte, of the National City Bank of Chicago; J. E. Spangler, of the Seattle National Bank, Seattle, and W. M. Van Deusen, of the National Newark Banking Co. of Newark, N. J.

Another of the important steps taken at the convention was the adoption by the Association on Wednesday of an amendment to its constitution, despite the opposition of the Trust Company Section, providing that no proposed national or State legislation, originating in any section, shall be urged without the approval of the Law Committee and the Association as a whole. The Trust Company Section is said to regard the amendment as a move to hamper its members in an effort to repeal that section of the Federal Reserve Act which confers on national banks trust company powers. The Convention also adopted a resolution, approved by the administrative counsel, that an attempt be made to procure an amendment to Section 19 of the Federal Reserve Act. The proposed change would give member banks not in any Federal Reserve or central reserve cities the option of keeping 4% of their reserve with any national bank in any Reserve or central reserve city in the United States, or within a radius of 300 miles of the member banks or within the Federal Reserve District. The member banks can now keep such 4% in their own vaults or in the Federal Reserve bank.

Still another resolution which was adopted, on recommendation of the Committee on Law, advocates an amendment of Section 5219 of the Revised Statutes so as to provide that where taxes are imposed upon the income of personal property the income derived from national bank shares may be included in the income of the owner or holder thereof in assessing such taxes, in the city or town where the bank is located and not elsewhere.

A further resolution, against which but one negative vote was recorded, and which was offered by ex-Representative Cornelius A. Pugsley of Peekskill, N. Y., pledges support to the national and State Governments in efforts to obtain practical preparedness along the lines of national defence. The subject "Military and National Preparedness" formed the topic of discussion at the convention, by Henry D. Estabrook of New York.

At the concluding day's session on Thursday the Convention adopted a resolution commending the Government's efforts in seeking a modification of the cotton contraband order. This resolution is as follows:

*Whereas*, The cotton crop of 1914 was marketed at low prices, with consequent loss and hardship to the planters of the cotton-growing States and all those connected in any manner with the production and sale of cotton.

*Whereas*, Following the advice of recognized financial and agricultural authorities, the planters greatly reduced the acreage planted to cotton this year in their endeavors to promote as far as it lay within their power the general welfare.

*Whereas*, The recent declaration by belligerent Powers that cotton is contraband now threatens to seriously affect the marketing of this season's crop and work great hardship.

*Whereas*, The President of the United States and the Federal Reserve Board have shown commendable zeal and great efficiency in forecasting and warding off similar impending calamities.

*Resolved*, that this convention commends the President of the United States and the State Department for the efforts which have been already made looking to a modification of the said contraband order, and that it is the hope of this convention that these efforts will be continued until the threatened peril to this great industry is averted.

Kansas City has been chosen for next year's meeting. The officers of the Association elected for the ensuing year are: President, James K. Lynch, Vice-President of the First National Bank of San Francisco; Vice-President, Peter K. Goebel, President of the Commercial National Bank of Kansas City; Treasurer, E. M. Wing, Vice-President of the Batavia National Bank of La Crosse, Wis.; Secretary (re-elected), F. E. Farnsworth of New York.

Previous mention has been made of the speakers on the several programs. Their addresses will appear in full, together with a report of the detailed proceedings, in our special edition, the "Bankers' Convention" Section, to be issued next Saturday.

At the convention of the Investment Bankers Association of America to be held in Denver, Sept. 20, 21 and 22, there will be open discussions of various committee reports. L. B. Franklin, Vice-President of Guaranty Trust Co. of New York, who has been nominated for President of the Association, as Chairman of the Railroad Bond Committee will discuss, among other topics:

Should railroad bonds be protected by sinking fund, and should this provision apply to all railroad bonds or those issued by companies whose business is not of a staple character?

Is it economically sound to issue bonds on a railroad property running 100 years when the usefulness of the property at that date cannot at the present time be determined?

In view of the changing conditions from time to time, should not the rate of interest of future railroad mortgages be fixed at the time of issue?

C. W. McNear of Chicago, as Chairman of the Committee on Municipal Bonds, will embody in his report recommendations relative to needed legislation regarding the issuance of bonds in serial form, maturities to be within the life of the improvement, tax limits, debt limits, optional features, place of payment. The income tax as it now stands has been working to the detriment of security dealers. At the Denver Convention the Association will discuss "Improper use of names of bond buyers which come to fiscal agents of corporations, under the Federal income tax regulation." Ex-President Caldwell of New York will address the Convention on "Publicity as Affecting the Investment Banker." One of the problems which the investment banker faces today is the security market after the European war. At this time, when no one can accurately judge what the results of the present conflict will be on rates of interest for fixed investments, the appearance of Senator Burton of Ohio is doubly interesting. The Senator's subject will be "The Effects of the Present Conflict upon Rates of Interest and upon the Business of the Investment Banker." The Eastern members of the Association are planning to leave New York on a special train over the Pennsylvania lines. The Western members of the Association will also leave Chicago in a special, traveling over the Burlington lines. A meeting of the Chicago members of the Association was held at the Hotel La Salle on the 8th inst. for the purpose of completing plans for the annual meeting.

The Fourth National Bank of Atlanta announced on Aug. 25 that until further notice it will make approved loans on cotton to farmers and merchants to the amount of three-quarters of the market value of the cotton for any period up to six months at 6% rate of discount. No limit is placed on

the amount of money which the institution is willing to loan, but all applicants must have the recommendation of the correspondent banks of the Fourth National and must insure the cotton and store it in one of 20 designated concentration points in Georgia, Florida and Alabama. If the cotton is sold before the maturity of the note, interest will be rebated for the unexpired term at the same rate. The minimum of any one loan will be \$300. The concentration points which are all warehouses of the Atlantic Compress Co., will receive cotton for Northern, Eastern or foreign consumption. Charges on storage will be 25 cents a bale for the first month and 15 cents a bale for every additional month thereafter. For weighing and sampling 5 cents a bale will be charged, and for grading 5 cents a bale, except at Savannah, where the charge is 10 cents. The prospectus issued by the Fourth National says in part:

It is our desire to give practical assistance to the farmers and merchants of this section, and, in view of the prevailing market conditions, we feel that the best way to do this is to extend them loans on their cotton. We believe that this assistance should be tendered through our correspondents because they are familiar with conditions in their several communities and are in a position to make proper recommendations. We shall be glad to furnish all necessary blanks for the execution of these loans.

The down-town branch of the Lincoln Trust Co. of this city has been removed from Broadway and Lispenard Street to the New York Life Building at 346 Broadway.

The expansion in business, which started in large volume when the Mechanics & Metals National Bank of this city moved to its new bank building at 20 Nassau St., has steadily continued until now the institution's resources total \$180,297,037. We have reference to the figures which are shown in its latest report to the Treasury Department as of Sept. 2, when deposits reached \$155,603,615, of which \$89,638,053 were individual accounts and \$65,965,561 bank accounts. The comparison between the June 23 and Sept. 2 bank calls is interesting, the deposits standing at \$124,666,435 June 23, comparing with \$155,603,615 Sept. 2, and aggregate resources \$146,773,432 and \$180,297,037, respectively. The loans and discounts Sept. 2 were \$86,589,753; cash and due from banks, \$66,979,099, and combined capital resources, \$15,155,845, of which \$9,155,845 represents surplus and undivided profits. The official staff is headed by Gates W. McGarrah, President, while Nicholas F. Palmer, John McHugh, Frank O. Roe, Walter F. Albertsen, Harry H. Pond and Samuel S. Campbell are Vice-Presidents and Joseph S. House is Cashier. The Assistant Cashiers include John Robinson, Ernest W. Davenport, Arthur M. Aiken. Alexander F. Bryan is Auditor and North McLean is Manager of the Foreign Department.

Following the death at Lake Placid on Wednesday of John W. Beers, Charles H. Dickinson, the sole surviving partner in the Stock Exchange firm of Beers & Owens, made an assignment on the 9th inst. for the benefit of creditors to William D. Gaillard, an attorney at 42 Broadway. The firm, which was organized in 1895, will be dissolved. It is stated that the assignment was due to impaired capital and poor business. Mr. Dickinson states that the assets will closely approximate the liabilities, which are placed at below \$200,000. It is reported that among the assets which have come into the hands of the assignee are securities valued at \$32,000, deposits in banking institutions aggregating \$31,897, and a seat on the Stock Exchange in the name of the late Mr. Beers.

The Brooklyn Trust Co. opened for business on Tuesday in the completed half of its magnificent new home at Montague, Clinton and Pierpont Streets. The trust company broke ground for the erection of the new building in June 1914. The demolition of the old structure occupied by the institution on Montague Street is to begin at once and work on the second half of the new building will then be started. It is thought that the completion of this half will take about eight months. No formal reception was held at the new banking quarters, this ceremony being deferred until the entire structure is completed. Many friends and patrons of the company called, however, during the opening day to offer their congratulations and to inspect the new home. The exterior of the building is of three different kinds of limestone. The base of the structure is granite and the roof is of green tile. The architecture is Italian Renaissance. Within the doorway, which is of carved marble, are swung two huge wrought-iron gates. In the interior of the building the walls and bases for the bronze screens are of highly













## Bankers' Gazette

Wall Street, Friday Night, Sept. 10 1915.

**The Money Market and Financial Situation.**—It is unfortunate, so soon after this country had accepted confidently and as offered in good faith, the assurances of the German Government that the unlawful and inhuman submarine warfare which has disturbed the civilized world for several months past would be discontinued, that that confidence should have been so severely shaken as it was last Monday. Evidently we are learning what to expect. The torpedoing of the Hesperian and the German attitude in regard thereto, together with recent activities of the Austro-Hungarian Ambassador and other representatives of the Teutonic allies in this country, show a disposition on the part of these Governments or officials to ignore former standards of international ethics and diplomatic procedure. It would seem, therefore, that the authorities at Washington must accept the facts and govern themselves accordingly.

If these matters have had any effect in Wall Street, it is seen in a greatly reduced volume of business and some weakness to-day. The transactions in stocks aggregated only about one-half the recent average and, except for increased sales of bonds for foreign account, the record in this department would have been similar. The especially favorable Government crop report for September and information given out showing increasing activity in the iron and steel industry have apparently offset any anxiety which might have developed from other causes. Prices for stocks advanced in a dull market, until to-day, and bonds have held their own in spite of the heavy foreign sales.

The crops, except corn and cotton, are now practically harvested and the Government report just given out shows better results than was anticipated in the August report. The wheat crop will be 90,000,000 bushels larger than last year's, and corn promises to be one of the two or three largest.

Recent orders for steel products show a larger percentage for home use than those of an earlier date. This is notably true of orders for steel rails and is understood to indicate that the railroads are preparing for increased traffic which the splendid crops and resulting general business seem to insure.

The international exchange situation has attracted less attention this week in anticipation of the conferences soon to be held between the English and French commissioners and New York banking interests, which are expected to arrange a system of credits or otherwise meet the needs of the situation. The commission arrived this morning and will doubtless soon begin work. In the meantime both the Bank of England and the French Bank continue to receive gold in considerable amounts, the latter having taken in \$10,000,000 since its last report.

**Foreign Exchange.**—After a period of renewed weakness on Tuesday and Wednesday, a steady improvement in sterling exchange has taken place towards the close of the week. The stimulating influence has been the benefits expected to arise from the conference of the British and French financial commissions who arrived yesterday to discuss the question of restoring equilibrium in the foreign exchanges.

To-day's (Friday's) actual rates for sterling exchange were 4 66@4 67 for sixty days, 4 67@4 69½ for checks and 4 68@4 70½ for cables. Commercial on banks nominal and documents for payment nominal. Cotton for payment nominal and grain for payment nominal.

There were no rates for sterling posted by prominent bankers this week.

To-day's (Friday's) actual rates for Paris bankers' francs were nominal for long and 5 95½ for short. Germany bankers' marks were nominal. Amsterdam bankers' guilders were 39 13-16 for short.

Exchange at Paris on London, 27.92 francs; week's range 27.81½ francs high and 27.92 francs low.

Exchange at Berlin on London, not quotable.

The range for foreign exchange for the week follows:

Sterling, Actual—	Sixty Days.	Checks.	Cables.
High for the week—	4 67	4 69½	4 70½
Low for the week—	4 59	4 62½	4 63 1-16
<b>Paris Bankers' Francs—</b>			
High for the week—	---	5 94	5 93
Low for the week—	---	5 98	5 97
<b>Germany Bankers' Marks—</b>			
High for the week—	---	82½	82½
Low for the week—	---	81	81½
<b>Amsterdam Bankers' Guilders—</b>			
High for the week—	---	40½	40½
Low for the week—	---	39½	39 15-16

**Domestic Exchange.**—Chicago, par. Boston, par. St. Louis, 5c. per \$1,000 discount bid and 5c. premium asked. San Francisco, 40c. per \$1,000 premium. Montreal, \$1 87½ per \$1,000 premium. Minneapolis, 20c. per \$1,000 premium. Cincinnati, par. New Orleans, sight 50c. per \$1,000 discount and brokers \$1 premium.

**State and Railroad Bonds.**—Sales of State bonds at the Board include \$22,000 New York 4½s, at 109¾, \$15,000 N. Y. Canal 4½s, at 109¾ to 109½; \$7,000 N. Y. Canal 4½s, at 104 to 104¼; \$1,000 New York 4s, 1962, at 101; and \$10,000 Virginia 6s, deferred trust receipts, at 54.

The market for railway and industrial bonds has been less active than last week but, in sympathy with the stock market, has been strong. The daily transactions averaged about 2¾ millions, par value, and of a list of 25 representative active issues 15 are higher than last week. Of the

exceptional features Rock Islands have been conspicuously weak, the deb. 5s showing a loss of 3¼ and the ref. 4s 1½ points. Nor. Pacific are fractionally lower and Inspiration Copper 1½.

Sales for foreign account have again been large, those designated "s.-30-f.", aggregating for the 4½ days \$1,905,500, which is about the same daily average as last week.

**United States Bonds.**—Sales of Government bonds at the Board are limited to \$59,000 3s, reg., at 101 to 101½, and \$1,000 2s, reg., at 97. For to-day's prices of all the different issues and for weekly range see third page following.

**Railroad and Miscellaneous Stocks.**—The stock market was extremely dull, according to recent standards, on Tuesday after the holiday, but it was firm and further recovery from the recent depression was made. Wednesday's market was hesitating and irregular with some increase in the volume of business. On Thursday there was a strong upward movement of prices on the favorable crop and iron reports mentioned above. Railway as well as manufacturing stocks participated in all these movements, although the latter were by far the more conspicuous for wide fluctuations.

To-day's market opened lower on the diplomatic situation, also mentioned above, and, although there was some recovery, practically the entire active list closes lower than last night. The volume of business did not increase, however, and the average level is still higher than at the close a week ago.

The usually erratic manufacturing stocks have fluctuated widely. Bethlehem Steel has covered a range of 51½ points and closes near the highest. General Motors advanced 22 points and holds all but 2. Crucible Steel's range for the week is 10 points, Electric Storage Battery's 5¾, Air Brake's 5, Studebaker's 7½ and Mexican Petroleum's 4¼.

The movement of railway issues has been so uniform and inconspicuous as to leave practically no exceptions.

For daily volume of business see page 838.

The following sales have occurred this week of shares not represented in our detailed list on the pages which follow:

STOCKS. Week ending Sept. 10.	Sales for Week.	Range for Week.		Range since Jan. 1.	
		Lowest.	Highest.	Lowest.	Highest.
Adams Express.....	1,138	95	Sept 4 102	Sept 10	80
American Express.....	2,016	96	Sept 9 104	Sept 10	83
Amer Teleg & Cable.....	33	60¾	Sept 7 60¾	Sept 7	58
Brown Shoe.....	510	34	Sept 4 37	Sept 4	23
Preferred.....	300	82	Sept 8 83	Sept 9	64
Butterick.....	100	28	Sept 10 28	Sept 10	27
Case (J. D.), pref.....	300	78½	Sept 7 78½	Sept 9	74½
Cent & So Am Teleg.....	13,128½	Sept 9 128½	Sept 9	110	Jan 128½
Comstock Tunnel.....	4,100	13c.	Sept 7 16c.	Sept 7	7c.
Crescent Carpet.....	22	40	Sept 8 40	Sept 8	40
Deere & Co. pref.....	500	93	Sept 7 94½	Sept 10	86
Morris & Essex.....	100	163	Sept 9 163	Sept 9	160
Ontario Silver Mining.....	100	3¼	Sept 8 3¼	Sept 8	2
Pacific Tel & Tel. pref.....	100	95	Sept 9 95	Sept 9	88
Pettibone-Mulliken.....	100	60	Sept 8 60	Sept 8	15
South Porto Rico Sugar.....	200	85	Sept 9 85	Sept 9	40
Texas Co full pd refts.....	100	150½	Sept 9 150½	Sept 9	123
Tobacco Products, pref.....	300	98	Sept 7 99	Sept 7	95
Union Pacific warrants.....	200	31½	Sept 7 31½	Sept 9	27½
U S Reduc & Refg.....	1,100	2¾	Sept 4 3¾	Sept 4	1¾
Vulcan Detinning.....	400	15	Sept 4 16½	Sept 8	5
Wells, Fargo & Co.....	200	109½	Sept 10 109½	Sept 10	77½
West Maryland, pref.....	200	48	Sept 4 48	Sept 4	25

**Outside Market.**—Trading on the "curb" this week was in moderate volume, with prices movement irregular. To-day's market was under pressure and prices weakened generally. Electric Boat, common, after early loss from 490 to 477, ran up to 530 and to-day sold at 510. Submarine Boat improved some 6 points to 53½, but sold down to-day to 49½, closing at 50. Driggs-Seabury Ordnance was active and strong, advancing 17 points to 115, with the close to-day at 112. Canadian Car & Fdy. com. declined from 107 to 103, then rose to 106, to-day's business carrying the price down to 101. The close was at 102. The pref. moved up about 2 points to 120 and reacted to 116. Cramp Shipbuilding fluctuated between 80 and 83, with the final figure 82. Int. Merc. Marine com. advanced fractionally to 4, but weakened to 3¾. The pref. gained about 2 points to 15 and dropped to 13½. The new com. and pref., w. i., moved up about 2 points each, the former to 55 and the latter to 67. Both reacted and closed to-day at 51½ and 66 respectively. Int. Motors com. eased off at first from 31 to 29, rallied to 33 and moved downward again, touching 27 to-day. The close was at 28. The pref. gained 5 points to 65 and fell to 57. Int. Nickel was prominent early in the week for an advance of 10 points to 195, but declined thereafter to 187, closing to-day at 190. Kelly-Springfield Tire com. was off at first from 202 to 200, then advanced to 213, with the final figure to-day 205. Oil stocks were very dull. Atlantic Refg. improved about 27 points to 635. Illinois Pipe Line gained 9 points to 159 and closed to-day at 158. Prairie Oil & Gas declined from 406 to 401, sold up to 412 and to-day down to 404. Standard Oil (Calif.) improved from 306 to 310 and declined to-day to 308. Standard Oil of N. J. gained about 6 points to 449 and ends the week at 448. Vacuum Oil advanced from 227 to 230. In bonds, Int. Merc. Marine 5s advanced almost 2 points to 80. Kennecott Copper 6s dropped from 175 to 170½, sold up to 179 and finally down to 171. Mines were more active at the close. Kennecott Copper declined from 54 to 53½, then advanced to 57¾ and closed to-day at 54¾. Magma Copper on heavy trading advanced from 14½ to 16½ and reacted finally to 15¼. An initial dividend of 50 cts. was declared. Braden Copper rose from 7¾ to 8¼ and closed to-day at 8¼.

Outside quotations will be found on page 838.













































## Reports and Documents.

### THIRD AVENUE RAILWAY COMPANY

REPORT FOR YEAR ENDED JUNE 30 1915.

June 30th 1915.

To the Board of Directors of the

Third Avenue Railway Company:

Since the date of the last annual report dated July 1st 1914, the Third Avenue Railway System has been further increased by the acquisition of the Pelham Park & City Island Railway Company, Inc., which cost \$40,000, and was paid for in cash pending the result of the application for bonds. This property is a great convenience and satisfaction to the public, and when it is extended so as to bring the people of Mount Vernon and Yonkers down to the Sound at City Island it will be very profitable.

The Third Avenue now owns the following companies, which have, respectively, the amount of mileageset opposite their names:

Third Avenue Railway Company.....	27.188
Kingsbridge Railway Company.....	7.150
42nd St., Man. & St. Nich. Ave. Ry. Co.....	20.291
Rec., Dry Dock, E. B'way & Battery RR. Co.....	19.158
Belt Line Railway Corporation.....	24.596
Third Avenue Bridge Company.....	3.631
Mid-Crosstown Railway Co., Inc.....	5.254
Union Railway Company of New York City.....	96.502
Bronx Traction Company.....	22.938
New York City Interborough Ry. Co.....	37.334
Southern Boulevard Railroad Company.....	10.067
Westchester Electric Railroad Company.....	40.586
Yonkers Railroad Company.....	44.003
New York Westchester & Connecticut Traction Co.....	5.575
Pelham Park & City Island Railway Co., Inc.....	3.286
Total .....	367.559

These companies own large amounts of real estate, of which a list was contained in Schedule A attached to the report of January 1st 1913, to which has been added a large piece on Tenth Avenue between 53rd and 54th Streets belonging to the Belt Line Railway Company.

#### INCOME.

The Income Account for the System during the current year shows, after the payment of all interest, taxes and depreciation, a balance of \$694,042 90. A copy of that report is added hereto and marked Schedule A. The balance of \$694,042 90 is commonly called net earnings or surplus earnings or net revenue. These terms are misleading in that they permit of the assumption that the money can be withdrawn from the Company and used for the payment of dividends to the Stockholders. As a matter of fact, no such "surplus" or "net" earnings would appear in the income statement were it not for the system of keeping accounts prescribed by the public authorities having jurisdiction over our accounts, because it has been necessary to expend the whole of the money represented by them upon the property, and if those expenditures had been what I think properly charged the so-called net earnings would not have appeared. A statement of the amount of expenditures made during the year is added hereto and marked Schedule B.

#### ADJUSTMENT BONDS.

The net earnings for the last two years have been less than could have been reasonably anticipated. First, because in the last year there was an abnormal series of snow storms, which cost the Company at least \$300,000, and in the year which has just expired there has been a decrease caused by the general depression of business and the necessity which the people feel for economy. This is further evidenced by the fact that the applications for employment during the year were at least twice as large as during any previous year in my administration and come as a whole from a better class of men. Nevertheless, the fact that the earnings should have reached in these two unpropitious years so large a sum justifies the conclusion that the interest on the adjustment bonds may be considered hereafter as certain to be earned and paid.

#### BOND ISSUE.

In the last report I stated that the Company had made an application to the Public Service Commission for the issue of \$6,650,000 of the 4% bonds to pay for the new properties, referred to in that report, and to recoup the Treasury for other large capital expenditures which had been made.

The application was made on December 24th 1913, and in February 1914 the Commission made an interim order permitting the issue of \$4,000,000 of these bonds, and from time to time the amount originally applied for has been increased to meet other capital expenditures which have been made. I am informed that a final decision may be expected in the near future. At some time or other, however, it may safely be expected that the Commission will authorize the issue of these bonds and with the proceeds it will be possible to replace in the Treasury the million of dollars which was provided for under the reorganization plan to repair the tracks, and which has been used for other purposes pending the result of this application.

#### BUDGET.

There are also added hereto statements showing the amount of expenditures which can be immediately foreseen, nearly the whole of which should theoretically be expended during the year 1916. These Budget statements are marked Schedules C and D. The statements are made up from the examinations of our own engineers and officers, and so far as the streets and tracks are concerned largely from the statements of the city officials in respect to the work proposed to be undertaken by the city. They aggregate a very large sum, and only a small part of the expenditures put down for 1915 have as yet been made, though it must be added that ultimately all of them must be made. An examination of these budget statements will show that they embody (a) the cost of certain extensions, \$560,000 for upper Broadway and \$250,000 for an extension of the City Island Road, which, if we build them, may be paid for out of the proceeds of new bonds not yet applied for. (b) The cost of certain new cars. We expected to pay for these out of the proceeds of old cars, but owing to the condition of the times we have lost the sale of most of these cars. (c) The cost of repaving and relaying the tracks in certain streets under which the City has been building subways, and the work is compulsory. (d) The cost of relaying the track and repaving part of Third Avenue and 59th Street, which has been or will be ordered by the Public Service Commission, and this, like the previous item, is compulsory; moreover, it is necessary. We began the work on Third Avenue last year voluntarily on the promise of the city that it would pursue its part of the work contemporaneously with us, but we are six months ahead of the City. I mention these matters because it is not generally understood how powerless a street railway company is to control its own expenses. The burden of paving between its tracks which was imposed on the railways when they were horse roads has become, with the changed conditions, as I said in my last report, almost intolerable, and both the City and the Public Service Commission each have the power to arbitrarily order the spending of very large amounts without consultation with the Company, and without consideration for the feelings of our stockholders. Statements of budget requirements such as these, are not properly part of our annual report any more than are other details of the management, such as cost of supplies, and will not hereafter be repeated, but this year, because of the views so often expressed about dividends, I desire to give the stockholders all the information in our possession.

#### DIVIDENDS.

If those Budget Statements were to be taken literally it would seem to be impossible that the expectations the stockholders have entertained in respect to dividends should not be disappointed. They are not, however, to be taken literally, because, as I have said, they are based, in a large part, upon the work proposed to be done by the City, and what the City Officials say they are going to do, and what the City actually does are found to be quite different things. In the long run the Company would probably be better off if all of these expenditures were paid out of the earnings of the Company and if no more money was borrowed through the issue of bonds. There is a wide and honest difference in opinion as to the wisdom of that course, and it is the fact that if the bonds which we have applied for permission to sell are issued and sold and the capital expenditures thereby restored to the Treasury, and if the payments of the depreciation and contingent fund after January 1st are stopped, the situation will be quite different.

In my last report I said that dividends should only be paid when the money is in the bank with which to pay them, and there is no immediate prior claim upon it. I think that this condition will be met within a measurable time, and I hope and expect that if there be no material decrease in net earnings it will therefore be possible to declare and pay a dividend within the next twelve months.

#### NEW FRANCHISES.

The Board has authorized the application for franchises for the Kingsbridge Road to build from Manhattan Street to 169th Street. This, although expensive to build, will serve a large population between the river and Amsterdam Avenue, who desire to go northwards and particularly to Van Cortlandt Park.

They have also authorized a franchise for the Pelham Park and City Island Railway Company, Inc., to connect with Mount Vernon. And, finally, they have authorized an extension of the Third Avenue Bridge Company from the end of Queensborough Bridge to the entrance to Calvary Cemetery.







































































































